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

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

UTI INDIAN FIXED INCOME FUND PLC

(An open-ended investment company with variable capital incorporated with limited liability in Ireland under the Companies Acts, 1963 to 2012 with registration number 516063 and established as an undertaking for collective investment in transferable securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011).

P R O S P E C T U S

**Promoter and Investment Manager
UTI International (Singapore) Private Limited**

The date of this Prospectus is 11th October, 2012

IMPORTANT INFORMATION

This Prospectus should be read in conjunction with the section entitled "Definitions".

The Prospectus

This Prospectus describes UTI Indian Fixed Income Fund plc as an open-ended investment company with variable capital incorporated in Ireland and authorised by the Central Bank as a UCITS pursuant to the UCITS Regulations. The share capital of the Company may be divided into different classes with one or more classes of Shares representing the Company.

Distribution of this document is not authorised after the publication of the first annual or half yearly report and accounts of the Company unless it is accompanied by a copy of the most recent of such reports. Such reports will form part of this Prospectus. The latest annual and half yearly reports of the Company shall be supplied to subscribers free of charge on request and will be available to the public as described in the section below entitled "Reports and Accounts."

The Promoter

The Promoter of the Company is UTI International (Singapore) Private Limited. The Promoter was incorporated in Singapore on 15 November 2006 and is regulated by the Monetary Authority of Singapore in the conduct of financial services and investment management activities.

Central Bank Authorisation

The Company is both authorised and supervised by the Central Bank. **Authorisation of the Company by the Central Bank shall not constitute a warranty as to the performance of the Company and the Central Bank shall not be liable for the performance or default of the Company. The authorisation of the Company is not an endorsement or guarantee of the Company by the Central Bank and the Central Bank is not responsible for the contents of this Prospectus.**

Prices of Shares in the Company may fall as well as rise.

Irish Stock Exchange Listing

The Company may seek to list one or more Classes of Shares on the Official List and to trading on the Main Securities Market of the Irish Stock Exchange.

Neither the admission of the Shares to the Official List and to trading on the Main Securities Market of the Irish Stock Exchange shall constitute a warranty or representation by the Irish Stock Exchange Limited as to the competence of the service providers to or any other party connected with the Company, the adequacy of information contained in the Prospectus or the suitability of the Company for investment purposes.

Restrictions on Distribution and Sale of Shares

The distribution of this Prospectus and the offering of Shares may be restricted in certain jurisdictions. This Prospectus does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is not authorised or the person receiving the offer or solicitation may not lawfully do so. It is the responsibility of any person in possession of this Prospectus and of any person wishing to apply for Shares to inform himself of and to observe all applicable laws and regulations of the countries of his nationality, residence, ordinary residence or domicile.

The Directors may restrict the ownership of Shares by any person, firm or corporation where such ownership would be in breach of any regulatory or legal requirement or may affect the tax status of the Company. Any restrictions applicable to a particular Class shall be specified in this Prospectus. Any person who is holding Shares in contravention of the restrictions set out above or, by virtue of his holding, is in breach of the laws and regulations of any competent jurisdiction or 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 any or all of them might not otherwise have incurred or sustained or otherwise in circumstances which the Directors believe might be prejudicial to the interests of the Shareholders, shall indemnify the Company, the Investment Manager and Distributor, the Custodian, the Administrator and Shareholders for any loss suffered by it or them as a result of such person or persons acquiring or holding Shares in the Company.

The Directors have the power under the Memorandum and Articles of Association to compulsorily redeem and/or cancel any Shares held or beneficially owned in contravention of the restrictions imposed by them as described herein.

United Kingdom

From the date of this Prospectus until such time as the Company becomes a recognised scheme under the Financial Services and Markets Act 2000 ("FSMA"), the Company will be an unrecognised collective investment scheme for the purposes of the FSMA. As such its promotion by authorised persons in the United Kingdom is restricted by section 238 of the FSMA and may only be undertaken by an authorised person in compliance with the provisions of section 238 of the FSMA and the regulations made thereunder. In addition, until such time as the Company receives recognition as a recognised scheme under section 264 of the FSMA, and the contents of this document have been approved by an authorised person, this document may not be issued in the United Kingdom by a person who is not an authorised person, or caused to be so issued by such a person, except in accordance with the provisions the FSMA and the regulations made thereunder. As against the Company, and any overseas agent thereof who is not a person authorised to carry on investment business in the United Kingdom, a United Kingdom investor will not benefit from most of the protections afforded by the United Kingdom regulatory system, and in particular will not benefit from rights under the Financial Services Compensation Scheme or access to the Financial Ombudsman Service which are designed to protect investors as described in the FSMA and the rules of the FSA.

India

The Company and the Investment Manager hereby represent and agree that this Prospectus has not been and will not be registered as a prospectus with the Registrar of Companies in India and that the

Shares will not be offered in India and that it has not offered or sold and that it will not offer or sell any Shares, nor has it circulated or distributed nor will it circulate or distribute this Prospectus or any other offering document or material relating to the Shares, directly or indirectly, to the public or any members of the public in India.

United States of America

The Shares have not been nor will they be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), or qualified under applicable State statutes, and the Shares may not be offered or sold, directly or indirectly, in the United States of America, its territories or possessions and all areas subject to its jurisdiction or to or for the benefit of any U.S. Person.

The Company will not accept any subscriptions from, and Shares may not be transferred to, any investor who is a U.S. Person. Shareholders will be required to notify the Company immediately in the event that they become a U.S. Person. In these circumstances, all of the Shares held by any such Shareholder shall be immediately and compulsorily redeemed.

Redemption Fee

Shareholders may be subject to a redemption fee calculated at up to 0.50% of redemption monies where they redeem shares within twelve months of acquiring those Shares. Such a redemption fee shall be for the absolute use and benefit of the Company. Shareholders should view their investment as medium to long term.

Reliance on this Prospectus

Statements made in this Prospectus are based on the law and practice in force in the Republic of Ireland at the date of the Prospectus, which may be subject to change. Neither the delivery of this Prospectus nor the offer, issue or sale of Shares in the Company shall under any circumstances constitute a representation that the affairs of the Company have not changed since the date hereof. This Prospectus will be updated by the Company to take into account any material changes from time to time and any such amendments will be notified in advance to and cleared by the Central Bank. Any information or representation not contained herein or given or made by any broker, salesperson or other person should be regarded as unauthorised and should accordingly not be relied upon.

Investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or other matters. You should consult your stockbroker, accountant, solicitor, independent financial adviser or other professional adviser.

Risk Factors

Investors should read and consider the section entitled "Risk Factors" before investing in the Company.

Translations

This Prospectus may also be translated into other languages. Any such translation shall only contain the same information and have the same meaning as the English language Prospectus. To the extent that there is any inconsistency between the English language Prospectus and the Prospectus in another language, the English language Prospectus will prevail, except to the extent (but only to the extent) required by the law of any jurisdiction where the Shares are sold, that in an action based upon disclosure in a prospectus in a language other than English, the language of the Prospectus on which such action is based shall prevail.

Dividends

Shareholders should note that some or all of the dividends of the Company may be paid from the capital of the Company. The policy of paying dividends from capital will have the following effects (i) capital will be eroded, (ii) distribution is achieved by forgoing the potential for future capital growth and (iii) the cycle may continue until all capital is depleted. Shareholders should also note that the payment of dividends out of capital may have different tax implications to distributions out of income and therefore tax advice should be sought in this regard.

DIRECTORY

UTI INDIAN FIXED INCOME FUND PLC

Directors

Praveen Jagwani
Ronan Smith
Simon McDowell

**Promoter,
Investment
Manager and Distributor**
UTI International (Singapore)
Private Limited
3 Raffles Place
#8-02 Bharat Building
Singapore, 048617

Registered Office

78 Sir John Rogerson's Quay
Dublin 2
Ireland

Administrator

State Street Fund Services
Ireland Limited
78 Sir John Rogerson's Quay
Dublin 2
Ireland

Custodian

State Street Custodial Services
(Ireland) Limited
78 Sir John Rogerson's Quay
Dublin 2
Ireland

Company Secretary

State Street Fund Services
Ireland Limited
78 Sir John Rogerson's Quay
Dublin 2
Ireland

Auditors

Ernst & Young
Ernst & Young Building
Harcourt Centre
Harcourt Street
Dublin 2
Ireland

Irish Legal Advisers

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

Investment Advisor

UTI Asset Management
Company Ltd
UTI - Tower, "Gn" Block
Bandra Kurla Complex
Mumbai- 400051
India

Corporate Governance

Service Provider

Bridge Consulting Limited
33 Sir John Rogerson's Quay
Dublin 2
Ireland

India Legal Advisers

Trilegal
One Indiabulls Centre
14th Floor, Tower One
Elphinston Road
Mumbai - 400013
India

India Tax Advisers

PricewaterhouseCoopers
Private Limited
PwC House, Plot 18/A
Gurunanak Road
Bandra (West)
Mumbai – 400050
India

Irish Tax Advisers

PricewaterhouseCooper
One Spencer Dock
North Wall Quay
Dublin 1
Ireland

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DEFINITIONS

In this Prospectus the following words and phrases have the meanings set forth below:-

All references to a specific time of day are to Irish time.

"Accounting Date"	means the 31 st of October in each year.
"Accounting Period"	means a period ending on the Accounting Date and commencing, in the case of the first such period on the date of incorporation of the Company and, in subsequent such periods, on the expiry of the last Accounting Period.
"Act"	means the Companies Acts 1963 to 2012 and every amendment or re-enactment of the same.
"Administrator"	means State Street Fund Services (Ireland) Limited.
"Administration Agreement"	means the Administration Agreement made between the Company and the Administrator dated 11 th October, 2012.
"Application Form"	means any application form to be completed by subscribers for Shares as prescribed by the Company from time to time.
"Articles of Association"	means the Memorandum and Articles of Association of the Company.
"Auditors"	means Ernst & Young of Ernst & Young Building, Harcourt Centre, Harcourt Street Dublin 2, Ireland.
"Base Currency"	means US Dollars.
"Business Day"	means any day (except Saturday or Sunday) on which banks & stock exchanges in India and banks in Ireland and Singapore are generally open for business or such other day or days as may be determined by the Directors from time to time and notified in advance to the Shareholders.
"Care"	a leading agency in India for covering many rating segments such as banks, sub-sovereigns and IPO gradings.

"Central Bank"	means the Central Bank of Ireland and any successor body thereto.
"Class"	means a particular class of Shares issued by the Company.
"Company"	means UTI Indian Fixed Income Fund plc.
"CRISIL"	A global analytical company providing ratings, research and risk, and policy advisory services. CRISIL's majority shareholder is Standard and Poor's (S&P).
"Custodian"	means State Street Custodial Services (Ireland) Limited.
"Custodian Agreement"	means the Custodian Agreement made between the Company and the Custodian dated 11 th October, 2012.
"Dealing Day"	means the first, and any, Business Day and/or such other day or days as may be determined by the Directors from time to time and notified in advance to the Shareholders, provided that there shall be at least one Dealing Day every fortnight. "Dealing Day" shall be construed accordingly.
"Dealing Deadline"	means 9 a.m.(Irish time) on the Business Day preceding the relevant Dealing Day or such other time as the Directors may determine and notify to Shareholders, provided always that the Dealing Deadline precedes the Valuation Point.
"Directors"	means the directors of the Company or any duly authorised committee or delegate thereof.
"Distribution Agreement"	means the Distribution Agreement dated 11 th October, 2012 made between the Company and the Distributor.
"Distributor"	means UTI International (Singapore) Private Limited.
"Euro" or "€"	means the lawful currency of the participating member states of the European Union which have adopted the single currency in accordance with the EC Treaty of Rome dated 25th March 1957 (as amended).
"Exempt Irish Investor"	see definition in "Taxation" section of this Prospectus.
"FII"	means Foreign Institutional Investor.

"Fitch"	means Fitch Ratings, which is a leading global rating agency, including Fitch India.
"FSA"	means the Financial Services Authority of the United Kingdom.
"FSMA"	means the United Kingdom Financial Services and Markets Act 2000 and every amendment or re-enactment of the same.
"ICRA"	means ICRA Limited (formerly Investment Information and Credit Rating Agency of India Limited). The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.
"Indian Public Sector Undertakings"	means government-owned corporations, termed as Public Sector Undertakings in India. In a Public Sector Undertaking the majority (51% or more) of the paid up share capital is held by central government or by any state government or partly by the central governments and partly by one or more state governments.
"INR"	means, Indian rupee, the lawful currency for the time being of the India.
"Intermediary"	see definition in "Taxation" section of this Prospectus.
"Investment Manager"	means UTI International (Singapore) Private Limited.
"Investment Management Agreement"	means the Investment Management Agreement made between the Company and the Investment Manager dated 11 th October, 2012.
"Ireland"	means the Republic of Ireland.
"MAS"	means the Monetary Authority of Singapore.
"Member"	means a Shareholder or a person who is registered as the holder of one or more non-participating shares in the Company.
"Member State"	means a member state of the European Union.

"Minimum Holding"	means USD 500,000.00 for the Institutional Class, USD 500.00 for the Retail Class and USD 500.00 for the RDR Class.
"Minimum Initial Subscription"	means USD 500,000.00 for the Institutional Class, USD 500.00 for the Retail Class and USD 500.00 for the RDR Class.
"Net Asset Value"	means the Net Asset Value of the Company or attributable to a Class calculated as referred to herein.
"Net Asset Value per Share"	means the Net Asset Value attributable to a Class divided by the number of Shares issued in that Class rounded to two decimal places.
"Ordinarily Resident in Ireland"	see definition in the "Taxation" section of this Prospectus.
"Prospectus"	the prospectus of the Company and any addenda thereto issued in accordance with the requirements of the Central Bank.
"RBI"	means the Reserve Bank of India.
"Recognised Exchange"	means the stock exchanges or regulated markets set out in Appendix II.
"Relevant Declaration"	see definition in "Taxation" section of this Prospectus.
"Resident in the Republic of Ireland"	see definition in "Taxation" section of this Prospectus.
"SEBI"	means the Securities and Exchange Board of India.
"Share"	means a participating share or, save as otherwise provided in this Prospectus, a fraction of a participating share in the capital of the Company.
"Shareholder"	means a person who is registered as the holder of Shares in the register of Shareholders for the time being kept by or on behalf of the Company.
"Sterling" or "£"	means the lawful currency for the time being of the United Kingdom.

"UCITS"	means an Undertaking for Collective Investment in Transferable Securities established pursuant to EC Council Directive 85/611/EEC of 20 December 1985 as amended.
"UCITS Notices"	means a notice or notices with respect to UCITS issued from time to time by the Central Bank as the competent authority with responsibility for the authorisation and supervision of UCITS.
"UCITS Regulations"	means the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (S.I. No. 352 of 2011) (as amended, consolidated or substituted from time to time) and any regulations or notices issued by the Central Bank pursuant thereto for the time being in force.
"UK"	means the United Kingdom of Great Britain and Northern Ireland.
"United States"	means the United States of America (including the States, Puerto Rico and the District of Columbia) its territories, possessions and all other areas subject to its jurisdiction.
"US Dollar", "USD" or "US\$"	means United States Dollars, the lawful currency for the time being of the United States of America.
"U.S. Person"	means a U.S. Person as defined in Regulation S under the 1933 Act and Commodity Futures Trading Commission ("CFTC") Rule 4.7.
"Valuation Point"	means 12 noon (Irish time) on the relevant Business Day.

1. THE COMPANY

General

The Company is an open-ended investment company with variable capital, incorporated in Ireland on 2 August, 2012 under the Act with registration number 516063. The Company has been authorised by the Central Bank as a UCITS pursuant to the UCITS Regulations.

The Directors may issue Shares of one or more Classes. The Shares of each Class of the Company will rank pari passu with each other in all respects provided that they may differ as to certain matters including currency of denomination, hedging strategies if any applied to the currency of a particular Class, dividend policy, the level of fees and expenses to be charged or the minimum subscription and minimum holding applicable. A separate portfolio of assets is not maintained for each Class. The investment objective and policies and other details in relation to the Company are set out in this Prospectus.

The Base Currency of the Company is the US Dollar. At the date of this Prospectus the Company has established three Classes denominated in the respective currencies listed below. Additional Classes may be established by the Directors and notified to, and cleared, in advance with the Central Bank. The Shares of each Class rank pari passu with each other except for the currency of denomination of each Class as set out below.

Class	Currency
Institutional Class	USD
Retail Class	USD
RDR Class	USD

Currency exposures of different Classes denominated in different currencies will not be combined or offset and currency exposures of assets of the Company will not be allocated to separate Classes.

An investment in the Company should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. Investors should read and consider the section entitled "Risk Factors" before investing in the Company.

Profile of a Typical Investor

The Company may be suitable for those investors with a medium to long term time horizon who wish to gain exposure to Indian debt markets and who recognise the risks of investing in a single emerging market country and who can tolerate the degree of volatility of returns typical of such an investment.

Investment Objective

The investment objective of the Company is to generate total returns with moderate levels of credit risk.

Investment Policy

Investment Strategy

The Company's investment strategy is to generate total returns with moderate levels of credit risk by investing in a portfolio of fixed income securities issued by the Central Government of India, State Governments of India, Indian Public Sector Undertakings, companies of Indian origin or deriving a significant portion of their business in India. The Company will invest in both local currency (INR) denominated debt as well as offshore, foreign currency debt of Indian issuers. Offshore, foreign currency debt of Indian issuers refers to bonds and debt instruments issued by Indian corporations and financial institutions in currencies other than INR. The Company may invest some part of its assets in debt instruments, issued by Indian companies and banks, denominated in USD or other foreign currencies. This exposure to non-INR investments may be converted to INR exposure through the use of non-deliverable forward contracts. The Company may also invest up to 10% of net assets in fixed deposits held with offshore branches of Indian banks, for ancillary liquidity purposes only, in accordance with the requirements of the UCITS Notices.

The Investment Manager intends to achieve moderate levels of credit risk by investing in non-sovereign debentures and bonds where the underlying issuers are assigned A or better credit ratings at the time of purchase by a SEBI registered rating agency such as CRISIL, ICRA, Fitch or CARE. Issuers rated A by CARE are considered to offer adequate degree of safety regarding timely servicing of financial obligations. Such issuers carry low credit risk. A rating scale of A by ICRA denotes an adequate-credit-quality rating assigned by ICRA, the rated entity carries average credit risk. The ICRA rating is however only an opinion on the general creditworthiness of the rated entity and not specific to any particular debt instrument.

Where an issuer credit rating is unavailable, the credit rating of the instrument issued by such issuer will have a credit rating of A or better at the time of purchase by a SEBI registered rating agency such as CRISIL, ICRA, Fitch or Care. After purchase, should the credit rating drop below the above stated ratings, the relevant instrument will be sold as soon as possible. Long term instruments rated A by CRISIL are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk. Long term national credit rating of A at the time of purchase by Fitch India denotes a strong credit risk relative to other issuers or issues in the country. However, changes in circumstances or economic conditions may affect the capacity for timely repayment of these financial commitments to a greater degree than for financial commitments denoted by a higher rated category. Thus by investing in issuers and instruments with at least adequate degree of safety/ credit quality and strong credit risk relative to other issuers, the Investment Manager aims to achieve moderate levels of credit risk for the Company.

Investment Universe

The Company will primarily invest in the following instruments:

- securities issued by the Central Government of India (the "Government") (for example, government securities and treasury bills);
- coupon bearing bonds issued by the State Governments of India. These are a type of tradable debt security, also known as State Development Loans (SDLs) which are traded on

the secondary market in India. These bonds are managed and serviced by the Reserve Bank of India;

- commercial paper issued by companies of Indian origin;
- corporate debt securities such as non-convertible debentures (“NCDs”) and fixed or floating rate bonds issued by companies of Indian origin;
- debt obligations of banks and financial institutions of Indian origin;
- Offshore, foreign currency debt by issuers of Indian origin. These are companies and financial institutions or entities related to companies and financial institutions of Indian origin, including but not limited to its subsidiaries, associates, branches, divisions etc. issue debt outside India in foreign currency such as US dollar, Euro or Yen. These bonds are traded in international markets such as Singapore, London, Hong Kong etc and are usually settled through Euroclear or Clearstream;
- Currency derivatives such as over-the-counter, non-deliverable forward contracts which will be used to convert the USD exposure (of USD denominated bonds) into INR exposure. By doing so, the investors will be exposed to INR and the Company does not intend to hedge the risk of fluctuations in the investment currency of the INR versus the Base Currency of USD. This conversion of non-INR exposure to INR is not considered as a ‘hedging’ strategy by the Company; and
- Treasury securities issued by developed world countries (including US treasury bills and bonds).

The key investment focus by the Investment Manager in selecting instruments will be to create a portfolio of debt investments which have high credit quality and minimal credit risk. This will be done by investing mainly in debt instruments of Indian corporate and financial institutions that are rated A or better at the time of purchase by local credit rating agencies. The Investment Manager does not intend to focus its investment in any one type of instrument, sector or geographical location, but instead intends to invest up to 100% in any of the above instruments subject to the Central Bank investment restrictions as set out in Appendix I to this Prospectus, on a worldwide basis, across all sectors where the Investment Manager determines it appropriate to invest in such instrument(s). The investment strategy will include understanding interest rate trends, credit risk/ratings changes and macroeconomic factors to invest in instruments that have high yields with moderate credit risk. Each of these factors, that is trends, credit risk/ratings changes and macroeconomic factors will be assessed by the Investment Manager based on information obtained from the following sources; internal research conducted by the Investment Manager, external third party research and other publicly available information and analysis.

The Investment Manager will only invest in non-sovereign debentures and bonds of issuers who have been assigned A or better ratings by a SEBI registered rating agency such as CRISIL, ICRA, Fitch or Care at the time of purchase. Issuers with this rating are considered to have an adequate degree of safety regarding timely servicing of financial obligations. Such issuers carry low credit risk. Where an Issuer rating is not available, the Company will invest in instruments that are assigned A or better at the time of purchase by either CRISIL, ICRA, Fitch India or CARE.

For cash management purposes, liquidity and safety during times of market stress, or pending investment or reinvestment in accordance with the limits set out in Appendix I of the Prospectus, the Company may invest in the following instruments:

- treasury securities issued by developed world countries (including US treasury bills and bonds);
- cash deposits in investment grade rated banks in developed world countries, in accordance with the requirements of the Central Bank; and
- money market funds.

The above investments are also permissible for posting collateral for margin purposes as required in order to take exposure to non-deliverable forwards contracts (USD, INR, NDFs) in accordance with the Company's stated investment objective.

Investment in money market schemes will be made to gain exposure to the Indian fixed income securities markets or developed money markets and will be made in accordance with the limits set out in Appendix I and, in particular, paragraphs 3.1-3.5. Such schemes may include other UCITS funds, or regulated non-UCITS primarily domiciled in the EU, which fall within the requirements set out in the Central Bank's Guidance Note 2/03 and the level of protection of which is equivalent to that provided to shareholders of a UCITS.

Investment policies of the Company shall comply with the restrictions for Foreign Institutional Investors investments as established by SEBI and the RBI as set out in Appendix III.

Investment under the Foreign Institutional Investors regime

As part of its investment policy, the Company proposes to also invest in the instruments listed under the sub-heading 'Investment Universe' as set out above under the FII regime currently prevailing in India as provided under the Securities Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 ("**FII Regulations**") and the conditions prescribed by RBI for investments and operations by FIIs (where such instruments are available for investment by the Company under the FII regime). The Investment Manager is registered with SEBI as a FII and the Company proposes to register itself as a sub-account to the FII.

A FII desiring to invest into India must register itself with the SEBI and must comply with the provisions of the FII regime. SEBI's right to grant registration to FIIs is discretionary. FIIs are permitted to invest on behalf of their sub-accounts. In such cases, the sub-account requires registration with the SEBI as a sub-account of the FII. The Company proposes to register itself as a broad-based sub-account. Under the FII Regulations, a broad-based sub-account, which does not have institutional investors, is required to have at least 20 investors none of them holding more than 49% of the shares or units of the fund.

The Company may also invest in simple financial derivative instruments for non-complex efficient portfolio management purposes. The Company will invest in a combination of Indian rupee denominated instruments, hard currency bonds and non-deliverable forwards. The Company exposure will be substantially or entirely to the Indian rupee, therefore if the Indian rupee depreciates against the US Dollar or other major currencies there would be a significant fall in the US Dollar value of such investments. The Company does not seek to actively hedge the currency risks but retains the right to do so. The Company may engage in forward foreign exchange contracts for hedging

purposes, to alter the currency exposure of the underlying assets, in accordance with the limits set out by the Central Bank. Because currency positions held by the Company may not correspond with the asset position held, the performance may be strongly influenced by movements in the FX exchange rates. The Company will not be leveraged as a result of engaging in forward foreign exchange contracts. The Company may use over-the-counter foreign non-deliverable forward contracts to convert non-INR exposure to INR exposure.

In calculating its global exposure, the Company, as a non-sophisticated user of financial derivative instruments (“FDI”), will apply the “Commitment Approach”. This approach converts the Company’s FDI positions into the equivalent positions of the underlying assets and seeks to ensure that the UCITS risk is monitored in terms of any future “commitments” to which it is (or may be) obligated. The commitment approach should also be used by the Company in determining position cover and position (issuer-concentration) risk limits.

The Company may invest up to a maximum of 10% of the Net Asset Value of the Company in other collective investment schemes in accordance with the requirements of the Central Bank and the investment restrictions set out in Appendix I to the Prospectus, where the investment policies of such collective investment schemes are consistent with those of the Company.

The Company has the ability to hold cash from time to time if the Investment Manager believes it is appropriate and is not obliged to be fully invested.

Portfolio Construction

The investment portfolio of the Company will be constructed to comply with UCITS guidelines and will also be based on factors including but not limited to: credit quality, duration, type of issuer (Sovereign, Public Sector Undertaking, Corporate, Financial institution), market liquidity and available limits as auctioned by SEBI.

Research and Investment Process

The Company will study and monitor the Indian debt market from a top-down or macro level as well as bottom-up or micro level. At the macro level, factors that affect India’s economic prospects such as growth, interest rates, price inflation, industrial production, external balance and fiscal balance will be monitored. At the micro-level, research will consist of looking at company-specific factors and identify investments that have favourable risk-return potential. In doing so, the Company will utilize third-party research such as that provided by credit rating agencies and brokerage reports. The majority of this research will be based on publicly available information which may be accessed freely. In other cases paid research may need to be subscribed for and the fees will vary on a case-to-case basis, however these fees will be payable by the Investment Manager and not out of the assets of the Company.

No assurance can be given that the Company's investment objective will be achieved.

A list of the stock exchanges and markets in which the Company is permitted to invest, in accordance with the requirements of the Central Bank, is contained in Appendix II of the Prospectus and should be read in conjunction with, and subject to, the Company's investment objective and investment

policy, as detailed above. The Central Bank does not issue a list of approved markets. With the exception of permitted investments in unlisted securities, investment will be restricted to those stock exchanges and markets listed in Appendix II of the Prospectus.

In accordance with the investment objective of the Company, the Investment Manager may enter into forward currency contracts to alter the currency exposure characteristics of transferable securities, subject to the requirements set out in the “Efficient Portfolio Management” section of the Prospectus. In this regard, the Investment Manager may alter the currency exposure of the underlying assets of the Company in order to acquire exposure to other currencies such as inter alia the Base Currency and/or the denominated currency of a Class. The Company’s risk management procedures/process for the use of derivatives for efficient portfolio management will be submitted to, and assessed by, the Central Bank prior to the Company using such instruments.

Where the Shares of the Company have been listed on the Irish Stock Exchange, the Directors will ensure that, in the absence of unforeseen circumstances, the Company will adhere to the material investment objective and policies of the Company for at least three years following the admission of the Shares to the Official List and to trading on the Main Securities Market of the Irish Stock Exchange.

The investment objective of the Company may not be altered and material changes in the investment policy of the Company may not be made without the prior written approval of all Shareholders or without approval on the basis of a majority of votes cast at a meeting of the Shareholders of the Company duly convened and held. Any such changes may not be made without the approval of the Central Bank. In the event of a change of the investment objective and/or policy of the Company, on the basis of a majority of votes cast at a general meeting, Shareholders in the Company will be given reasonable notice of such change to enable them redeem their Shares prior to implementation of such a change.

The list of Recognised Exchanges in which the assets of the Company may be invested from time to time is set out in Appendix II.

Eligible Assets and Investment Restrictions

Investment of the assets of the Company must comply with the UCITS Regulations. The Directors may impose further restrictions in respect of the Company. The investment and borrowing restrictions applying to the Company are set out in Appendix I. 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 or markets listed in Appendix II.

Borrowing Powers

The Company may only borrow for cash flow purposes on a temporary basis and the aggregate amount of such borrowings may not exceed 10% of the Net Asset Value of the Company. Subject to this limit the Directors may exercise all borrowing powers on behalf of the Company and may charge its assets as security for such borrowings only in accordance with the provisions of the UCITS Regulations.

Adherence to Investment and Borrowing Restrictions

The Company will adhere to any investment or borrowing restrictions stated herein or imposed by the Irish Stock Exchange for so long as any Shares in the Company are listed on the Irish Stock Exchange, subject to the UCITS Regulations.

Change to Investment and Borrowing Restrictions

It is intended that the Company shall have the power, subject to the prior approval of the Central Bank and the prior approval of Shareholders and as disclosed in an updated Prospectus, to avail of any change in the investment and borrowing restrictions specified in the UCITS Regulations which would permit investment by the Company in securities, derivative instruments or in any other forms of investment in which investment is at the date of this Prospectus restricted or prohibited.

Efficient Portfolio Management

Where considered appropriate, the Investment Manager will enter into forward currency contracts for efficient portfolio management on behalf of the Company and/or a Class of Shares within the Company to protect against exchange risks and/or to alter the currency exposure characteristics of transferable securities within the conditions and limits laid down by the Central Bank from time to time.

If the Investment Manager determines, at its discretion, to conduct currency hedging transactions in respect of a Class, details as to how such transactions have been utilised will be disclosed in the periodic reports of the Company. If the Investment Manager determines not to conduct currency hedging transactions in respect of a Class, currency conversions for subscriptions, redemptions and distributions will be conducted at prevailing spot currency exchange rates and consequently the value of Shares in the unhedged currency Class will be subject to exchange rate risk in relation to the Base Currency.

The conditions and limits for the use of forward currency contracts for efficient portfolio management on behalf of the Company and/or a Class of Shares within the Company to protect against exchange risks are contained in the Central Bank's UCITS Notice 10 and Guidance Note 3/03 and set out in section 6 entitled "Financial Derivative Instruments ('FDIs') of Appendix I.

In addition the use of forward currency contracts, which alter the currency characteristics of transferable securities held by the Company, are subject to the following additional requirements:

- (i) they must not be speculative in nature, i.e. they must not constitute an investment in their own right;
- (ii) they must be fully covered by cash-flows arising from the transferable securities held by the Company.

The attention of investors is drawn to the risks described under the headings "Portfolio Currency Risk", "Share Currency Risk" and "Forward Trading" in the Risk Factors section of the Prospectus.

Risk Management Process

The Company will employ a risk management process based on the commitment approach which will enable it to accurately monitor, measure and manage the risks attached to financial derivative positions and details of this process have been provided to the Central Bank. 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 and cleared by the Central Bank. 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.

Dividend Policy

The Directors are entitled to declare and pay dividends for Shares in the Company. The Directors intend to declare and pay dividends on a semi-annual basis equal to; net income and realised and unrealised gains, net of realised and unrealised losses. Any dividend will be declared on the last Business Day in January and in July in each year or on such other date as may be determined by the Directors, or such other frequency as the Directors consider appropriate. The Company may commence declaring and the payment of dividends for the relevant Class twelve months following the date of the closing of the Initial Offer Period for that Class. The Directors may also determine if and to what extent dividends paid include realized capital gains and/or are paid out of capital attributable to the relevant Class. Dividends declared will be paid in cash and payment will be made to the relevant Shareholders pre-designated bank accounts, net of bank charges.

In the event that the income generated from the Company's investments attributable to the relevant Class during the Relevant Period is insufficient to pay dividends as declared, the Directors may in their discretion determine that such dividends be paid from capital. Investors should note that where the payment of dividends are paid out of capital, this represents and amounts to a return or withdrawal of part of the amount originally invested or capital gains attributable to that, and may result in an immediate decrease in the value of the Shares of the relevant Class and will reduce any capital appreciation for the Shareholders of such Class. Any such payments out of capital will only be made to seek to maintain, so far as is reasonable, a stable payment per Share of the relevant Class but the payment per Share of such a Class is not fixed and will vary according to economic and other circumstances and the ability of the Company to support stable bi-annual payments without a long-term positive or negative impact on capital. The Company is managed in the interests of all Shareholders in line with the stated investment objective and policy of the Company and is not being managed to maintain a stable payment per Share of any particular Class.

Dividends of a Class declared, if any, shall be distributed among the Shareholders of the relevant Class rateably in accordance with the number of Shares held by them on the record date as determined by the Investment Manager in respect of the corresponding distribution. For the avoidance of doubt, only Shareholders whose names are entered on the register of Members on such record date shall be entitled to the dividend declared in respect of the corresponding distribution. Any payment of dividends will be made in the Class Currency of the relevant Class of Shares.

Dividends not claimed within six years from the date on which they become payable will lapse and will revert to the relevant Class to which they relate.

Publication of Net Asset Value per Share

The Net Asset Value per Share shall be made available on the internet at the website www.bloomberg.com and/or will be published in such publications as the Directors may determine in the jurisdictions in which the Shares are registered for sale and shall be updated following each calculation of the Net Asset Value per Share. The Net Asset Value per Share may also be obtained from the Administrator during normal business hours. The Net Asset Value per Share of any Class whose Shares are listed will also be notified to the Irish Stock Exchange by the Administrator for each Valuation Point.

RISK FACTORS

General

The risks described herein should not be considered to be an exhaustive list of the risks which potential investors should consider before investing in the Company. Potential investors should be aware that an investment in the Company may be exposed to other risks of an exceptional nature from time to time. Investment in the Company carries with it a degree of risk. Different risks may apply to different Classes. Prospective investors should review this Prospectus carefully and in its entirety and consult with their professional and financial advisers before making an application for Shares. Prospective investors are advised that the value of Shares and the income from them may go down as well as up and, accordingly, an investor may not get back the full amount invested and an investment should only be made by persons who can sustain a loss on their investment. Past performance of the Company should not be relied upon as an indicator of future performance. The difference at any one time between the sale price (to which may be added a sales charge or commission) and the redemption price of Shares (from which may be deducted a redemption fee) means an investment should be viewed as medium to long term. The attention of potential investors is drawn to the taxation risks associated with investing in the Company. Please refer to the section of the Prospectus entitled "Taxation". The securities and instruments in which the Company invests are subject to normal market fluctuations and other risks inherent in investing in such investments and there can be no assurance that any appreciation in value will occur.

There can be no guarantee that the investment objective of the Company will actually be achieved.

Certain Risk Factors Concerning India

Given the focus of its investment strategy, the success of the Company will depend in large part on the general economic and business conditions in India. Risks associated with the investments in India, including but not limited to the risks described below, could adversely affect the performance of the Company and result in substantial losses. No assurance can be given as to the ability of the Company to achieve any return on its investments and, in turn, any return on an investor's investment in the Company. Accordingly, in acquiring Shares in the Company, appropriate consideration should be given to the following factors:

Indian Economic Factors

The success of the Company's investments depends in part on general economic and business conditions in India. A significant change in India's economic liberalization and deregulation policies could adversely affect business and economic conditions in India generally and in particular if new restrictions on the private sector are introduced or if existing restrictions are not relaxed over time. Notwithstanding current policies of economic liberalization, the roles of the Indian central and state governments in the Indian economy as producers, consumers and regulators have remained significant. The current Government of India is a coalition led by the Congress Party which was formed originally in May 2004 and re-elected in a new coalition in the recently concluded elections in May 2009. The government has announced policies and taken initiatives that support the continued

economic liberalization policies that have been pursued by previous governments. There is, however, no assurance that these liberalization policies will continue in the future. The rate of economic liberalization could change, and specific laws and policies affecting taxation, foreign investment, currency exchange and other matters affecting the Company's investments could change as well. In addition, laws and policies affecting the various investments held by the Company could change, adversely affecting the values or liquidity of securities issued by those companies.

Indian Political Factors

India's relations with other neighbouring countries historically have been tense. Since the separation of India and Pakistan upon their independence in 1947, a source of ongoing tension between the two countries has been the dispute over the northern border state of Kashmir. India and Pakistan have fought three wars since independence, and in the last several years both countries have conducted successful tests of nuclear weapons and missile delivery systems. Although there are periodic efforts to normalize relations between the two countries, significant military confrontations between India and Pakistan have occurred in the disputed region of Kashmir in the last few years and both India and Pakistan continue to allocate substantial resources to the defence of their borders as a result. More recently, terrorist attacks in November 2008 in Mumbai have heightened tensions and security risks in both countries. Events of this nature in the future could influence the Indian economy and could have a material adverse effect on the market for securities of Indian companies, and on the market for the services of Indian companies in which the Company may have investments. The Indian government is also confronted by insurgencies and separatist movements in several states in addition to Kashmir.

Capital Raising Constraints under Indian Law

FII's are generally permitted to invest in Government bonds and corporate bonds without the prior approval of the RBI or the SEBI. However, the total outstanding FII investments in Government bonds and in corporate bonds cannot exceed the limits as allotted by SEBI. Therefore, investments made by the Company in debt instruments in India will be subject to such restrictions, and these restrictions may require Company to obtain the prior approval of the RBI or SEBI before acquiring any debt instruments in excess of such limits. There can be no assurance that any approval required from the RBI or SEBI will be obtained on any particular terms in a timely manner, or at all. Further, there are separate limits available for investing in Government securities, corporate bonds and long term corporate/infrastructure debt. FII's have to bid for limits for investing in such debt instruments. The non-availability of such limits may pose a risk to the Company of not being able to invest in local currency bonds and will affect the portfolio construction of the Company.

Currency Exchange Rate Risks

Exchange controls have traditionally been administered with stringent measures under the Foreign Exchange Regulation Act ("FERA"). The Indian rupee is not convertible on the capital account and most capital account transactions require the prior permission of the Reserve Bank of India, India's Central Bank ("RBI"). However, throughout the 1990s, the RBI eased the exchange control regime and made it more market-friendly. In the year 1999, the Indian Parliament enacted the Foreign Exchange Management Act ("FEMA") to replace FERA. FEMA and the rules made thereunder constitute the body of exchange controls applicable in India. The significant shift in the approach to

exchange controls under FEMA is the move from a regime of limited permitted transactions to one in which all transactions are permitted except a limited number to which restrictions apply. FEMA and the notifications under FEMA were effective commencing June 1, 2000. FEMA differentiates foreign exchange transactions between Capital Account Transactions and Current Account Transactions. A Capital Account Transaction is generally defined as one that alters the assets or liabilities, including contingent liabilities outside India, of persons resident in India or assets or liabilities in India of persons resident outside India. FEMA further provides for specific classes of transactions that fall within the ambit of Capital Account Transactions and the RBI has issued regulations governing each such class of transactions. Transactions other than Capital Account Transactions, including payments in connection with foreign trade, current businesses, services, short term credit and banking facilities, interest payments, living expenses, foreign travel, education and medical care are Current Account Transactions.

The RBI has issued regulations governing such Current Account Transactions. While the regulatory regime for hedging genuine currency risk has been relaxed, it is still not practical, given the costs, to hedge currency risks for more than relatively short periods of time, and even for short term hedging the cost can be high. Accordingly, currency risk in relation to the Indian rupee remains a significant risk factor, and the cost of hedging this currency risk (if available) could reduce the Company's returns. A decrease in the value of the Indian rupee would adversely affect the Company's returns, and such a decrease may be likely given India's current account deficits and its budget deficits.

The operation of the Company's bank account in India is subject to regulation by RBI under the Indian Foreign Exchange Regulations. The Indian domestic custodian acting also as the remitting banker will be authorized to convert currency and repatriate capital and income on behalf of the Company. There can be no assurance that the Indian Government would not, in the future, impose certain restrictions on foreign exchange. The repatriation of capital may be hampered by changes in Indian regulations concerning exchange controls or political circumstances. In addition, India may in the future re-introduce foreign exchange control regulations which can limit the ability of the Company to repatriate the dividends, interest or other income from the investments or the proceeds from sale of securities. Any amendments to the Indian exchange control regulations may impact adversely on the performance of the Company.

Also, the exchange rate between the Indian rupee and the U.S. dollar has changed substantially in recent years and may fluctuate substantially in the future. During the period commencing on 1 January 2010 and ending on 31 December 2011, the value of the Indian rupee has depreciated against the U.S. dollar by an aggregate of approximately 14.18 per cent. Further depreciation of the value of the Indian rupee as regards foreign currencies will result in a higher cost to the Company for foreign currency denominated expenses, including the purchase of certain capital equipment. In the past the Indian economy has experienced severe fluctuations in the exchange rates. There can be no assurance that such fluctuations will not occur in the future.

Indian Legal System

Indian civil judicial process to enforce remedies and legal rights is less developed, more lengthy and, therefore, more uncertain than that in more developed countries. Enforcement by the Company of civil liabilities under the laws of a jurisdiction other than India may be adversely affected by the fact that

the Company's portfolio companies may have a significant amount of assets in India. The laws and regulations in India can be subject to frequent changes as a result of economic, social and political instability. In addition, the level of legal and regulatory protections customary in countries with developed securities markets to protect investors and securities transactions, and to ensure market discipline, may not be available. Where the legal and regulatory framework is in place, the enforcement may be inadequate or insufficient. Regulation by the exchanges and self-regulatory organizations may not be recognized as law that can be enforced through the judiciary or by means otherwise available to the investors in developed markets.

Indian Capital Gains Tax

The Company currently expects to take benefit of the India-Ireland tax treaty by which capital gains arising from transfer of debt securities in India would not be subject to tax. It is however uncertain whether the treaty claim of the Company would be granted by the Indian tax authorities. The denial of India – Ireland tax treaty benefits may adversely affect taxability of the Company which in turn may impact the return to investors. These risks are described in more detail under “Indian Taxation” in the ‘Taxation’ section below.

Taxation of Interest Income in India

The Company currently expects to take benefit of the India-Ireland tax treaty by which interest income from investment in debt securities in India would be subject to tax at a beneficial rate of 10%. It is however uncertain whether the treaty claim of the Company would be granted by the Indian tax authorities. The denial of India-Ireland tax treaty benefits may adversely affect taxability of the Company which in turn may impact the return to investors. These risks are described in more detail under “Indian Taxation” in the ‘Taxation’ section below.

Exposure to Permanent Establishment

In case income of the Company is characterized as ‘business income’, it will not be taxable in India, unless it has a permanent establishment in India. Although the Company is expected to operate in a manner that will not cause it to be treated as having a permanent establishment in India, there can be no assurances made in this regard. These risks are described in more detail under “Indian Taxation” in the ‘Taxation’ section below.

Updates to the SEBI and the RBI

If the Company, as a broad based sub-account, has institutional investors who hold more than 49% of the shares or units in the sub-account, then the institutional investor itself must be a broad based fund. Under the SEBI FII regulations, for a fund to be regarded as a “broad based fund”, it should have at least 20 investors and none of the single individual investor should hold more than 49% of the units or shares of the fund. However, if the fund has institutional investors then it is not necessary for the fund to have 20 investors. Though, if any institutional investor holds more than 49% of the units or shares of the fund, then such institutional investor should, in turn, be a “broad based fund” itself, and must satisfy the above criteria.

FII's and their sub-accounts are obliged, under the terms of the undertakings and declarations made by them at the time of registration, to immediately notify the SEBI and the RBI of any change in the information provided in the application for registration. Failure by the FII's and/or their sub-accounts to adhere to the provisions of the Securities Exchange Board of India Act, 1992 ("**SEBI Act**"), the rules and the FII Regulations thereunder renders them liable for punishment prescribed under the SEBI Act and the Securities Exchange Board of India (Intermediaries) Regulations, 2008 which include, inter alia, imposition of penalty and suspension or cancellation of the certificate of registration.

Fixed Income and Bond Market Risks

The Indian fixed income and bond markets especially the corporate bond markets are smaller in size and depth which could impact the liquidity in the instruments held by the Company. Also, due to lack of broad based participation from a varied set of investors, the market participants often have uni-directional views which result in extreme reactions in valuations of certain instruments. The bond markets also have dual regulators with RBI regulating the government bond market and SEBI regulating the corporate bond market which leads to dealing with multiple settlement and trading practices.

Limited Liquidity

Some segments of the government bond market and the corporate bond markets have limited liquidity which could impact prices of instruments and limit the ability of the Investment Manager to meet redemption requests. Also, given the nascent stage of the markets, there have been instances where the liquidity for the entire markets has seized up leading to poor price discovery.

Corporate Disclosure, Accounting, Custody and Regulatory Standards

Indian disclosure and regulatory standards are in many respects less stringent than standards in certain OECD countries. There may be less publicly available information about Indian companies than is regularly published by or about companies in such other countries. The difficulty in obtaining such information may mean that the Company may experience difficulties in obtaining reliable information regarding any corporate actions and dividends of companies in which the Company has invested which may, in turn, lead to difficulties in determining the Net Asset Value with the same degree of accuracy which might be expected from more established markets. Indian accounting standards and requirements also differ in significant respects from those applicable to companies in many OECD countries. Indian trading, settlement and custodial systems are not as developed as certain OECD countries, and the assets of the Company which are traded in such markets and which have been entrusted to sub-custodians in such markets may be exposed to risk in circumstances in which the Custodian will have no liability.

Limitations on Investments

The total outstanding FII investments in Government bonds cannot exceed \$20 billion and in corporate bonds cannot exceed \$45 billion. The Company's debt investments cannot exceed the limits as allotted by SEBI which may be revised from time to time. Due to investment restrictions enforced by SEBI/RBI, FII's cannot explicitly invest in Certificate of Deposits and/or Fixed Deposits

issued by banks. The net effect of this for the Company will be that the Company will not be able to explicitly invest in Certificate of Deposits and/or Fixed Deposits issued by banks.

Loss of FII Registration

For accessing the Indian securities market, the Company will seek to register with SEBI as a sub-account of a FII, which is in turn registered as a FII. The investment by the Company is dependent on the continued registration of the FII and the Company as its sub-account. In the event the registration of the FII or the Company as a sub-account is terminated or is not renewed, the Company could potentially be forced to redeem the investments held in the particular share class, and such forced redemption could adversely affect the returns to the Shareholders, unless the approval of SEBI has been obtained to transfer the sub-account to another FII or the Company registers itself with SEBI as a FII.

Investigations

Any investigations of, or actions against, the Company initiated by SEBI or any other Indian regulatory authority may impose a ban of the investment and advisory activities of the Company.

Lack of Operating History

The Company has no operating history upon which prospective investors may base an evaluation of the likely performance of the Company.

Investing in Fixed Income Securities

Investment in fixed income securities is subject to interest rate, sector, security and credit risks. Lower-rated securities will usually offer higher yields than higher-rated securities to compensate for the reduced creditworthiness and increased risk of default that these securities carry. Lower-rated securities generally tend to reflect short-term corporate and market developments to a greater extent than higher-rated securities which respond primarily to fluctuations in the general level of interest rates. There are fewer investors in lower-rated securities and it may be harder to buy and sell such securities at an optimum time.

The volume of transactions effected in the Indian bond markets may be appreciably below that of the world's larger markets, such as the United States. Accordingly, the Company's investment in such market may be less liquid and their prices may be more volatile than comparable investments in securities trading in markets with larger trading volumes. Moreover, the settlement periods in certain markets may be longer than in others which may affect portfolio liquidity.

Concentration Risk

The Company concentrates its investments in fixed income securities of companies listed on stock exchanges in India or closely related to the economic development and growth of India. A concentrated investment strategy may be subject to a greater degree of volatility and risk than a portfolio which is diversified across different geographic regions.

No Investment Guarantee

Investment in the Company is not in the nature of a deposit in a bank account and is not protected by any government, government agency or other guarantee scheme which may be available to protect the holder of a bank deposit account. Any investment in the Company is subject to fluctuations in value.

Market Risk

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

Emerging Markets Risk

The Company will predominately invest in a portfolio of fixed income securities issued by the Central Government of India, State Governments of India, Indian Public Sector Undertakings, companies of Indian origin or deriving a significant portion of their business in India but may also invest in other in emerging markets. Such securities may involve a high degree of risk and may be considered speculative. Risks include (i) greater risk of expropriation, confiscatory taxation, nationalization, and social, political and economic stability; (ii) the small current size of the markets for securities of emerging markets issuers and the currently low or non-existent volume of trading, resulting in lack of liquidity and in price volatility, (iii) certain national policies which may restrict the Company's investment opportunities including restrictions on investing in issuers or industries deemed sensitive to relevant national interests; and (iv) the absence of developed legal structures governing private or foreign investment and private property.

Liquidity and Valuation Risk

Although it is not intended to invest in unlisted and/or unquoted securities, the Company may as a result of, inter alia, corporate events hold securities which are not listed and consequently liquidity may be low in respect of those securities.

The accumulation and disposal of holdings in some investments may be time consuming and may need to be conducted at unfavourable prices. The Company may also encounter difficulties in disposing of assets at their fair price due to adverse market conditions leading to limited liquidity.

Illiquid and/or unquoted investments or instruments will be valued by the Directors or their delegate in good faith in consultation with the Investment Manager as to their probable realisation value, provided that such value is approved by the Custodian. Such investments are inherently difficult to value and are the subject of substantial uncertainty. There is no assurance that the estimates resulting from the valuation process will reflect the actual sales or "close-out" prices of such securities. Also, there is an inherent conflict of interest between the involvement of the Investment Manager in determining the

valuation price of the Company's investments and the Investment Manager's other duties and responsibilities in relation to the Company.

Redemption Risk

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

Credit Ratings Risk

The Investment Manager may when implementing the Company's investment policy utilize credit ratings provided by local Indian credit agencies such as CRISIL, ICRA, CARE etc. The Investment Manager believes that the ratings provided by these Indian agencies are most appropriate for the Company and best reflect the credit of the assets under consideration for investment by the Investment Manager because of their presence in India. The criteria used by these Indian agencies for obtaining a particular rating may differ from some of the international rating agencies and may therefore result in different ratings being applied to certain assets. Shareholders should be aware that ratings by global rating agencies, may be different from ratings by local ratings agencies. As a result the domestic ratings may need to be scaled down accordingly. The Investment Manager may also use ratings provided by international ratings agencies as appropriate.

Portfolio Currency Risk

Assets of the Company may be designated in a currency other than the Base Currency of the Company and changes in currency exchange rates or interest rates between the trade and settlement dates of specific securities transactions or anticipated securities transactions may lead to a depreciation of the value of the Company's assets as expressed in the Base Currency.

Share Currency Risk

Investors should be aware that foreign currency exposure of the investments may substantially limit Shareholders of the relevant Class from benefiting if the designated currency of their Shares falls against the Company's Base Currency and/or the currency/currencies in which the assets of the Company are denominated. In such circumstances Shareholders of the relevant Class of Shares of the Company may be exposed to fluctuations in the Net Asset Value per Share reflecting the gains/losses on and the costs of the relevant financial instruments. Financial instruments used to implement such strategies shall be assets/liabilities of the Company as a whole. However, the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant Class of Shares of the Company.

Investing in Fixed Income Securities

Investment in fixed income securities is subject to interest rate, sector, security and credit risks. Lower-rated securities will usually offer higher yields than higher-rated securities to compensate for the reduced creditworthiness and increased risk of default that these securities carry. Lower-rated securities generally tend to reflect short-term corporate and market developments to a greater extent

than higher-rated securities which respond primarily to fluctuations in the general level of interest rates. There are fewer investors in lower-rated securities and it may be harder to buy and sell such securities at an optimum time.

The volume of transactions effected in certain international bond markets may be appreciably below that of the world's largest markets, such as the United States. Accordingly, the Company's investment in such markets may be less liquid and their prices may be more volatile than comparable investments in securities trading in markets with larger trading volumes. Moreover, the settlement periods in certain markets may be longer than in others, which may affect portfolio liquidity.

Accounting, Auditing and Financial Reporting Standards

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

Forward Trading

Price movements of forward 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 Company's securities, (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.

Forward 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 the Company.

Pricing Risk

Although it is not intended to invest in unlisted securities, the Company may as a result of, inter alia, corporate events hold securities which are not listed. The Administrator may consult the Investment Manager with respect to the valuation of such unlisted securities. There is an inherent conflict of

interest between the involvement of the Investment Manager in determining the valuation price of the Company's investments and the Investment Manager's other duties and responsibilities in relation to the Company.

Non-Diversification

Generally, the Company's portfolio will not be diversified among geographic areas, types of securities, or a wide range of issuers or industries. Accordingly, the investment portfolio of the Company may be subject to more rapid change in value than would be the case if the Company were required to maintain a wide diversification among industries, areas, types of securities and issuers.

Counterparty and Settlement Risk

To the extent the Company invests in non-US securities or over-the-counter transactions or engages in securities lending, in certain circumstances, the Company may take a credit risk with regard to parties with whom it trades and may also bear the risk of settlement default. These risks may differ materially from those entailed in exchange-traded transactions that generally are backed by clearing organization guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly between two counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default.

Opportunity loss

To the extent the Company may invest in the non-deliverable forward contracts ("NDF") it may have to forego any benefit of a favourable exchange rate movement between the time of entering into an NDF and the maturity date.

Variation / Early termination of the Non-Deliverable Forward:

The Company may suffer a loss where there are cancellations or adjustments of any NDF contract entered into by the Company (for its non rupee exposure). These cancellations or adjustments of NDF contracts may be due to either high redemptions or for any other reason such as unexpected events, for example where there is a credit downgrade of a counterparty and the Investment Manager is of the view that it is better to wind up the particular NDF position.

Operational risk

The Company will be relying on the Internal systems, processes and procedures at the Investment Manager for trading in the non-deliverable forwards. Any delay in settlement of such trades due to a flaw in any one of the processes, other than where there has been negligence, fraud, bad faith, or wilful default on the part of the Investment Manager, may result in a loss to the Company.

Reliance on Key Management

The Company intends to rely heavily upon the asset management expertise of the Investment Manager and advice of the Investment Committee in obtaining its investment objectives. Due to the unique knowledge and experience of the Investment Manager, it would be difficult for the Company to meet its investment objectives in the event the Investment Manager were unable or unwilling to continue as investment manager, as it might not be possible to obtain suitable replacements.

2. MANAGEMENT AND ADMINISTRATION

The Directors control the affairs of the Company and are responsible for the formulation of investment policy. The Directors have delegated certain of their duties to the Investment Manager and Distributor, the Administrator, the Custodian and the Corporate Governance Services Provider.

Directors

The Company shall be managed and its affairs supervised by the Directors all of whom are non-executive directors of the Company and whose details are set out below:-

Mr. Praveen Jagwani (Indian)

Mr. Jagwani is an investment and banking professional with a 20-year track record in the financial services industry. He has been with UTI International (Singapore) in his current role for over three years. Having worked in many geographies and multi-cultural environments he displays a good balance between results and people orientation. He started his career with ANZ Grindlays Bank in India and worked later in Australia and Bahrain across Credit, Consumer Finance, Systems & Private Banking. He later joined Standard Chartered Bank and built the Wealth Management and Investment Advisory business in the Middle East. He was appointed the Chief Investment Officer for Middle East & South Asia and was responsible for Product, Research, Certification and Compliance. He then joined Merrill Lynch and worked with them in London and Dubai in their Hedge Fund & Private Equity Advisory business. Mr. Jagwani holds a graduate degree in Computer Science (B.Sc.) and a Masters degree in Operations Research (M.Sc) from Delhi University. He also has a Masters of Business Administration from XLRI Jamshedpur and has completed Chartered Financial Analysis (CFA) program from CFA institute USA.

Mr. Ronan Smith (Irish)

Mr. Smith is the founder and Director of Ronan Smith Independent Consulting Limited, which provides advice to investment firms and institutions. Mr. Smith was formerly a director of Bank of Ireland Asset Management Limited, where he established and managed the Index Investing business. His early investment career was with New Ireland Assurance Company Limited. He was later recruited by a currency specialist firm, Lee Overlay Partners, as Head of Marketing. Mr. Smith has over 27 years experience in the investment management industry. Mr. Smith holds the FCCA designation, an MSc in Operational Research from The University of Hull and a degree in economics and mathematical economics and statistics from Trinity College Dublin. He is a former chairman of CFA Ireland.

Mr. Simon McDowell (Irish)

Mr. McDowell started his career as a Trainee Chartered Accountant with McFeely & McKiernan before spending time with KPMG. Following this he moved into the fund administration space as Financial Reporting Controller for BISYS Fund Services in 1996 before moving on in 1998 to Cap Advisers, a US Family Office. There he was an Investment Committee Member and Vice President of Managed Funds and developed an extensive knowledge of the Hedge Fund space. In 2007 he moved to

GlobalReach Securities to manage their Hedge Fund of Fund before moving on to Enterprise Ireland where he was a Senior Advisor in the Financial Services Division.

Mr. McDowell established his own investment consulting business which specialised in assisting clients operating across the alternative investment sector and a family office. Mr. McDowell holds a Bachelor of Science (Mgmt.) from Trinity College, Dublin.

The address of the Directors is the registered office of the Company.

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

Investment Manager

The Company has appointed UTI International (Singapore) Private Limited as investment manager with discretionary powers pursuant to the Investment Management Agreement. Under the terms of the Investment Management Agreement the Investment Manager is responsible, subject to the overall supervision and control of the Directors, for managing the assets and investments of the Company in accordance with the investment objective and policies of the Company. The Company shall not be liable for any actions, costs, charges, losses, damages or expenses arising as a result of the acts or omissions of the Investment Manager or its own acts or omissions following the advice or recommendations of the Investment Manager.

The Investment Manager was incorporated in Singapore on 15 November 2006 and is regulated by the Monetary Authority of Singapore in the conduct of financial services and investment management activities.

The Investment Manager is also the Promoter and Distributor of the Company.

The key personnel of the Investment Manager who are responsible for the Company and their individual details are set out below:-

Mr. N Murali, CFA, Head – Investments, UTI International (Singapore) Private Limited

Mr. Murali is the Head - Investments at the Investment Manager. He manages the flagship diversified Asia-Pacific ex-Japan balanced fund and takes the lead on all investment decisions. Mr. Murali joined the Investment Manager in 2008 and was responsible for setting up the investment function of the Investment Manager.

Mr. Murali has over 12 years experience in the investment industry having covered various regional equity markets as well as alternative asset classes like real estate. Prior to joining the Investment

Manager, he spent 5 years as the Portfolio Manager for two leading investment management companies in Singapore, NTUC Income Insurance and Mirae Asset, managing Asian emerging market equity funds. He has also jointly-managed several Asia-Pacific ex-Japan regional equity funds, a China-India consumer equity fund and a Singapore equity fund. Mr Murali also had a stint as manager with Singapore's first real estate investment trust, Capitamall Trust. He was primarily involved in financial modelling and acquisition-related due diligence work for the fund during and after listing. He also has sell-side equity analyst exposure having worked as an investment analyst with Keppel Securities for 2 years. Prior to joining the investment industry, he worked as a journalist with Bridge News and Financial Times Information for 3½ years covering various Asian equity and energy markets.

Mr. Murali graduated from the National University of Singapore with a B.A. (Merit) majoring in Economics and Political Science and has completed the Chartered Financial Analysis (CFA) Program.

Mr. Viral Bhuta, Portfolio Manager – Fixed Income, UTI International (Singapore) Private Limited (UTIIS)

Mr. Viral Bhuta is a fixed income portfolio manager with the Investment Manager. He has an MBA (Finance) from Northeastern University and Bachelor of Engineering (Electric Engineering) degree from V.J.T.I. (University of Mumbai). His areas of expertise include developing investment strategies for investing in Indian corporate bonds and yield curve trading on US treasury futures. His prior experience also includes designing IT systems for controlling complex depository operations (back-office, settlements and bookkeeping), handling millions of transactions daily. He has previously worked with Venus Capital Management's independent advisory based in India and Singapore in various roles including Assistant Fund Manager since January 2007.

The Distributor

The Company has also appointed UTI International (Singapore) Private Limited, as distributor of Shares in the Company pursuant to the Distribution Agreement. The Distributor has authority to delegate some or all of its duties as distributor to sub-distributors in accordance with the requirements of the Central Bank. Under the terms of the Distribution Agreement, the Company shall out of the Company's assets indemnify the Distributor against and hold it harmless from any actions, proceedings, damages, claims, costs, demands and expenses including legal and professional expenses brought against or suffered or incurred by the Distributor in the performance of its duties other than due to the material breach of the agreement, negligence, fraud, bad faith or wilful default of the Distributor in the performance of its obligations.

Investment Committee

The Investment Manager will appoint an investment committee to provide investment advice. The investment committee will provide an oversight role for the Investment Manager. The biographical details of the members are set out below.

- (i) **Mr. N Murali, CFA, Head – Investments, UTI International (Singapore) Private Limited (as described under the sub-heading “Investment Manager” above)**

(ii) **Mr. Viral Bhuta, Portfolio Manager – Fixed Income, UTI International (Singapore) Private Limited (as described under the sub-heading “Investment Manager” above)**

(iii) **Mr Praveen Jagwani - (as described under the sub-heading “Directors” above)**

(iv) **Mr. Faizal Alawdeen – Research Analyst**

Mr. Alawdeen joined UTI International (Singapore) Private Limited in September 2010 as a Research Analyst. He has a Masters of Science in Mathematics (Research) and a Bachelor of Science (Honors) in Applied Mathematics from National University of Singapore. He has five years of industry experience and has previously worked at Overseas Chinese Bank Corporation and The Royal Bank of Scotland plc. He is conversant in Mandarin, Malay and Tamil.

(v) **Manish Khandelwal**

Mr Khandelwal a commerce graduate (B.COM), LLB (A) and has done his Masters in Business Administration (MBA) from Symbiosis Institute of Business Management, Pune in 2004. He has around 8 years experience in the investment management industry. Prior to joining UTI International (Singapore) Private Limited, he worked with UTI AMC in India in Institutional Sales, Distribution, Retail Sales & Marketing and PMS (Portfolio Management services). He regularly interacted with the intermediaries, service providers and also responsible for advising high net worth clients on their mutual fund investments. Mr Khandewal is presently working as Senior Vice President, Product Control with UTI International (Singapore) Private Limited. His job responsibilities consist of fund structuring and product development for the UTI group's international business.

The Investment Committee will neither have any discretionary investment management powers nor will they receive a fee for their role.

Investment Advisor

The Investment Manager may appoint from time to time an Investment Advisor to provide non-discretionary investment advice to the Company. The fees of any such Investment Advisor appointed will be paid out of the fees of the Investment Manager.

The Investment Manager has appointed UTI Asset Management Company Ltd as an investment advisor to provide non-discretionary investment advice to the Company.

The Administrator

Pursuant to the Administration Agreement the Company has appointed the Administrator to act as administrator, registrar, company secretary and transfer agent. The Administrator will have the responsibility for the day to day administration of the Company's affairs including the calculation of the Net Asset Value per Share and preparation of the accounts of the Company, subject to overall supervision of Company.

The Administrator is a limited liability company incorporated in Ireland on 23rd March, 1992 and is ultimately a wholly owned subsidiary of the State Street Corporation. The authorised share capital of

State Street Fund Services (Ireland) Limited is GBP£5,000,000 with an issued and paid up capital of GBP£350,000.

State Street Corporation is a leading world-wide specialist in providing sophisticated global investors with investment servicing and investment management. State Street is headquartered in Boston, Massachusetts, U.S.A., and trades on the New York Stock Exchange with the symbol "STT".

The Administrator will only be liable to the Company and the Shareholders for any loss suffered by them as a result of the negligence, fraud, bad faith, recklessness or wilful default on the part of the Administrator.

The Company undertakes to hold harmless and indemnify the Administrator on its own behalf and on behalf of its permitted delegates, servants and agents against all actions, proceedings and claims (including claims of any person purporting to be the beneficial owner of any part of the Investments or Shares) and against all costs, demands and expenses (including legal and professional expenses) arising therefrom which may be brought against, suffered or incurred by the Administrator, its permitted delegates, servants or agents in the performance or non-performance of its obligations and duties hereunder and from and against all taxes on profits or gains of the Company which may be assessed upon or become payable by the Administrator or its permitted delegates, servants or agents provided that such indemnity shall not be given where the Administrator, its delegates, servants or agents is or are guilty of negligence, fraud, bad faith, recklessness or wilful default in the performance or non-performance of its duties under the Administration Agreement.

The Administrator is not involved directly or indirectly with the business affairs, organisation, sponsorship or management of the Company and is responsible and liable only for its duties that it provides to the Company in accordance with the Administration Agreement.

The Custodian

State Street Custodial Services (Ireland) Limited was appointed as custodian of the Company's assets pursuant to the Custodian Agreement. The custodian provides safe custody for all the Company's assets.

The Custodian is a limited liability company incorporated in Ireland on 22nd May 1991 and is, like the Administrator, ultimately owned by the State Street Corporation. Its authorised share capital is GBP£5,000,000 and its issued and paid up capital is GBP£200,000.

The Custodian's principal business in the provision of custodial and trustee services for collective investment schemes and other portfolios.

The Custodian has power to appoint agents, sub-custodians and delegates. The Custodian's liability shall not be affected by the fact that it has entrusted some or all of the Company's assets in safekeeping to any third party. The Custodian Agreement provides that the Custodian will discharge its responsibilities in respect of third parties by exercising care and diligence in choosing and appointing a third party to be a sub-custodian so as to ensure that the sub-custodian has and maintains the expertise, competence and standing appropriate to discharge the responsibilities involved. The Custodian shall maintain an appropriate level of supervision over a sub-custodian and

make appropriate enquiries from time to time to confirm that the obligations of the sub-custodian continue to be competently discharged. In addition, the Custodian will be obliged to enquire into the conduct of the Company in each financial year and to report thereon to the Shareholders. The Custodian's report shall be delivered to the Directors in good time to enable the Directors to include a copy of the report in the annual report of the Company. The Custodian's report shall state whether in the Custodian's opinion the Company has been managed in that period:

- (A) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the Articles of Association and by the Central Bank under the powers granted to it by the Act; and
- (B) otherwise in accordance with the provisions of the Articles of Association and the Act.

If the Company has not complied with (A) or (B) above, the Custodian must state why this is the case and outline the steps which the Custodian has taken to rectify the situation.

The Custodian is not involved directly or indirectly with the business affairs, organisation, sponsorship or management of the Company and is responsible and liable only for the trustee and custodial services that it provides to the Company pursuant to the Custodian Agreement.

Corporate Governance Service Provider

The Company has appointed Bridge Consulting Limited to provide services to assist the Directors in carrying out the governance functions specified by the Central Bank in relation to a UCITS. Bridge Consulting Limited will assist the Directors in respect of the following management functions for the Company; monitoring compliance, risk management, monitoring of the Investment Policy, monitoring of Investment Strategies and Performance, monitoring of Financial Control, monitoring of Internal Audit, monitoring of Capital, supervision of Delegates, complaints handling and Accounting Policies and Procedures.

The Corporate Governance Service Provider is a private limited company incorporated in Ireland on 1 March, 2005, under registration number 398390. The Governance Services Provider's principal business is the provision of business advisory and governance services to collective investment schemes and investment management firms.

Company Secretary

The Company has appointed State Street Fund Services Ireland Limited to provide company secretarial services to the Company.

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 Administrator

(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 Administrator for the account of the Company and (b) redemption monies payable by such intermediate entity to the relevant Shareholder. Fees and expenses of Paying Agents appointed by the Company which will be at normal commercial rates will be borne by the Company in respect of which a Paying Agent has been appointed.

Country Supplements dealing with matters pertaining to Shareholders in jurisdictions in which Paying Agents are appointed may be prepared for circulation to such Shareholders and, if so, a summary of the material provisions of the agreements appointing the Paying Agents will be included in the relevant Country Supplements.

All Shareholders of the Company on whose behalf a Paying Agent is appointed may avail of the services provided by Paying Agents appointed by or on behalf of the Company.

Details of the paying agents appointed will be set out in the relevant Country Supplement and will be updated upon the appointment or termination of appointment of paying agents.

Conflicts of Interest

The Investment Manager will use its best efforts in connection with the purposes and objectives of the Company and will devote so much of its time and effort to the affairs of the Company as may, in its judgment, be necessary to accomplish the purposes of the Company. The Directors, the Investment Manager and Distributor, the Administrator and the Custodian and their respective affiliates, officers, directors 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 and/or their respective roles with respect to the Company. These activities may include managing or advising other funds, purchases and sales of securities, banking and investment management services, brokerage services, valuation of unlisted securities (in circumstances in which fees payable to the entity valuing such securities may increase as the value of assets increases) and serving as directors, officers, advisers or agents of other funds or companies, including funds or companies in which the Company may invest. Such other entities or accounts may have investment objectives or may implement investment strategies similar to or different from those of the Company. It may not always be possible or consistent with the investment objectives of the various persons or entities described above and of the Company for the same investment positions to be taken or liquidated at the same time or at the same price.

In addition, principals and employees of the Investment Manager may, directly or through investments in other investment funds, have interests in the securities in which the Company invests as well as interests in investments in which the Company does not invest. As a result of the foregoing, the Investment Manager (and its officers, directors, employees and affiliates) may have conflicts of interest in allocating their time and activity between the Company and other entities, in allocating investments among the Company and other entities and in effecting transactions for the Company and other entities, including ones in which the Investment Manager (and its officers, directors, employees and affiliates) may have a greater financial interest.

The Investment Manager (and its directors, officers, employees and affiliates) may give advice or take action with respect to such other clients that differs from the advice given with respect to the Company. To the extent a particular investment is suitable for both the Company and other clients, such investments will be allocated between the Company or the other clients pro rata based on assets under management or in some other manner which the Investment Manager determines is fair and equitable under the circumstances to all clients, including the Company. From the standpoint of the Company, simultaneous identical portfolio transactions for the Company or other clients may tend to decrease the prices received, and increase the prices required to be paid, by the Company for its portfolio sales and purchases. Where less than the maximum desired number of shares of a particular security to be purchased are available at a favorable price, the shares purchased will be allocated among the Company and the other clients in an equitable manner as determined by the Investment Manager.

Each of the Parties will use its reasonable endeavours to ensure that the performance of their respective duties will not be impaired by any such involvement they may have and that any conflicts which may arise will be resolved fairly.

There is no prohibition on transactions with the Company by the Investment Manager and Distributor, the Administrator, the Custodian or entities related to each of the Investment Manager and Distributor, the Administrator or the Custodian including, without limitation, holding, disposing or otherwise dealing with Shares issued by or property of the Company and none of them shall have any obligation to account to the Company for any profits or benefits made by or derived from or in connection with any such transaction provided that such transactions are consistent with the best interests of Shareholders and dealings are carried out as if effected on normal commercial terms negotiated on an arm's length basis (as provided in UCITS 14 (1) and (2)).

Transactions permitted are subject to:

- (a) certified valuation by a person approved by the Custodian (or Directors in the case of a transaction with the Custodian) as independent and competent; or
- (b) executed on best terms on an organised investment exchange under its rules; or
- (c) where the conditions set out in (a) and (b) above are not practical, execution on terms which the Custodian is (or in the case of a transaction involving the Custodian, the Directors are) satisfied conform with normal commercial terms negotiated at arm's length. Transactions must be consistent with the best interests of Shareholders.

The Investment Manager or an associated company of the Investment Manager may invest in Shares so that a Class may have a viable minimum size or is able to operate more efficiently. In such circumstances the Investment Manager or its associated company may hold a high proportion of the Shares of a Class in issue.

Details of interests of the Directors are set out in the section of the Prospectus entitled "General Information - Directors' Interests".

Soft Commissions

The Investment Manager, its delegates or connected persons of the Investment Manager may not retain cash or other rebates but may receive, and are entitled to retain, research products and services (known as soft dollar benefits) from brokers and other persons through whom investment transactions are carried out ("brokers") which are of demonstrable benefit to the Shareholders (as may be permitted under applicable rules and regulations) and where such arrangements are made on best execution terms and brokerage rates are not in excess of customary institutional full-service brokerage rates and the services provided must be of a type which assist in the provision of investment services to the Company.

Fee Rebate

The Investment Manager may from time to time at its sole discretion and out of its own resources decide to give rebates to some or all Shareholders or their agents or intermediaries of part of or all of the Investment Manager fee. The Investment Manager also reserves the right to waive all of the Investment Manager fee, sales charge, redemption fee and conversion fee.

3. FEES AND EXPENSES

Establishment Expenses

The fees and expenses relating to the establishment and organisation of the Company including the fees of the Company's professional advisers and the fees will be borne by the Company. Such fees and expenses are estimated to amount to USD 150,000.00 and will be amortised over the first five financial years from the commencement of trading of the Company or such other period as the Directors may determine and in such manner as the Directors in their absolute discretion deem fair.

Investment Manager's Fees

The Investment Manager shall be entitled to receive from the Company an annual fee of 0.75% of the Net Asset Value of the Company in respect of the Institutional Class, 1.20% of the Net Asset Value of the Company in respect of the Retail Class and 0.75% of the Net Asset Value of the Company in respect of the RDR Class. The Investment Manager shall be entitled to be reimbursed by the Company out of the assets of the Company any properly vouched reasonable out-of-pocket expenses incurred by it on behalf of the Company. The Investment Manager will be responsible for any fees payable to the Investment Committee and to any Investment Advisor appointed.

All fees and expenses and value added tax payable to the Investment Manager will be calculated and accrue at each Valuation Point and will be payable monthly in arrears or at such intervals and in such currency as may be agreed between the Company and the Investment Manager.

Foreign Institutional Investors Fee

There is a nominal fee (for accessing local Indian debt) in respect of registration with the SEBI and this is payable every three years (USD 1,000 per annum) by every sub-account (such as the Company) to the SEBI.

Apart from the above fee, the sub-account must participate in an auction process which is held on a monthly basis. In order to buy Indian debt instruments, the FII's must purchase limits. These limits are only available for purchase through the above-mentioned auction process. The cost of the limit is determined by the outcome of the auction and must be paid by the FII, this is known as the FII bidding fee. The FII bidding fee must then be remitted to the SEBI within three working days if the sub-account is successful in the bidding process.

The cost of purchase of the FII debt limits will be paid out of the assets of the Company.

Investment Advisor's Fee

The Investment Advisor shall be entitled to receive from the Investment Manager an annual fee which will be payable out of the Investment Managers fee.

Administrator's Fee

The Administrator shall be entitled to receive from the Company a maximum annual fee of 1.5% of the NAV of the Company. Such fee shall be calculated and accrued as at each Valuation Point and shall be payable monthly in arrears.

The Administrator shall also be entitled to be reimbursed out of the assets of the Company for all reasonable out-of-pocket expenses incurred by the Administrator in the proper performance of its duties.

Custodian's Fees

The Custodian shall be entitled to receive from the Company a maximum annual fee 0.5% of the NAV of the Company which shall consist of a fee per Class, a fee based on the market value of the assets of the Company (which shall vary from country to country), a fee per transaction (which shall also vary from country to country) and a fee for each third party fixed deposit, foreign exchange deal and outward payment affected by the Custodian on behalf of the Company. Such fees shall be calculated and accrued as at each Valuation Point and shall be payable monthly in arrears.

The Custodian shall also be entitled to be reimbursed by the Company out of the assets of the Company any properly vouched reasonable out-of-pocket expenses incurred by it on behalf of the Company including those arising from settlement and custody activities in specific markets, such as stamp duty, securities re-registration fees and proxy voting physical representation and the fees of any Sub-Custodian appointed by it at normal commercial terms.

All fees and charges payable by the Company under the Custodian Agreement shall be increased by the amount of any applicable value added taxes or duties.

Directors' Fees

The Directors are authorised to charge a fee for their services at a rate determined by the Directors up to a maximum fee per Director of Euro 10, 500 per annum and may be entitled to special remuneration if called upon to perform any special or extra services to the Company.

All Directors will be entitled to reimbursement by the Company of expenses properly incurred in connection with the business of the Company or the discharge of their duties.

Auditors' Fee

The Company shall pay a maximum annual fee to the Auditors of upto €25,000 (excluding VAT), as may agreed from time to time by the Directors.

Corporate Governance Service Provider Fee

The Company shall pay a maximum annual fee to the Governance Services Provider of upto €50,000 (excluding VAT), which shall accrue and be payable quarterly in arrears.

The Company may also be required to discharge any out-of-pocket expenses incurred by the

Governance Services Provider in the provision of services to the Company, such as courier charges and travel costs and expenses. All fees and expenses shall be subject to VAT.

Other Operating Expenses and Fees

In addition to the fees and expenses payable by the Company (to the extent provided in this Prospectus) to the Investment Manager and Distributor, the Administrator, the Custodian and the Auditors appointed by or on behalf of the Company, the Company will pay all its operating expenses and the fees hereinafter described as being payable by the Company including but not limited to brokerage and banking commissions and charges, legal and other professional advisory fees, company secretarial fees, Companies Registration Office filings and statutory fees, translation and accounting expenses, interest on borrowings, taxes and governmental expenses applicable to the Company or any subsidiary company, costs of preparation, translation, printing and distribution of reports and notices, all marketing material and advertisements and periodic updates of the Prospectus, stock exchange listing fees, all expenses in connection with local registrations, listing and distribution of the Company and Shares issued or to be issued, expenses of Shareholders meetings, Directors' insurance premia, expenses of the publication and distribution of the Net Asset Value per Share, clerical costs of issue or redemption of shares, postage, telephone, facsimile and telex expenses and any other expenses in each case together with any applicable value added tax. Any such expenses may be deferred and amortised by the Company, in accordance with standard accounting practice, at the discretion of the Directors. An estimated accrual for operating expenses of the Company will be provided for in the calculation of the Net Asset Value of the Company. Operating expenses and the fees and expenses of service providers which are payable by the Company shall be borne by the Company provided that fees and expenses directly or indirectly attributable to a particular Class shall be borne solely by the relevant Class.

Sales Charge

Shareholders may be subject to a sales charge which will be payable to the Distributor and this sales charge is calculated at a maximum of 5.0% of subscription monies in respect of the Institutional Class and the Retail Class.

Anti-Dilution Levy/Duties and Charges

The Company reserves the right to impose an 'anti dilution levy' representing a provision for market spreads (the differences between the prices at which assets are valued and/or bought or sold), duties and charges and other dealing costs relating to the acquisition or disposal of assets and to preserve the value of the underlying assets of the Company, in the event of receipt for processing of net subscriptions and/or redemptions. Any such provision may be added to the price at which Shares will be issued in the case of net subscription requests exceeding 1% of the Net Asset Value of the Company and deducted from the price at which Shares will be redeemed in the case of net redemption requests exceeding 1% of the Net Asset Value of the Company, including the price of Shares issued or redeemed as a result of requests for conversion. The application of any provision will be subject to the overall direction and discretion of the Company.

Redemption Fee

Shareholders may be subject to a redemption fee calculated at up to 0.50% of redemption monies where they redeem Shares within twelve months of acquiring those Shares. Such a redemption fee shall be for the absolute use and benefit of the Company. For this purpose, Shares will be deemed to be redeemed on a first in first out basis.

Allocation of Fees and Expenses

All fees, expenses, duties and charges will be charged to the Company and within the Company to the Classes in respect of which they were incurred.

Fee Increases

The rates of fees for the provision of services may be increased within the maximum levels stated above so long as at least one month's written notice of the new rate(s) is given to Shareholders of the relevant Class.

4. THE SHARES

General

Shares may be issued in registered form on any Dealing Day. Shares issued in a Class will be denominated in the currency applicable to that Class. Shares will have no par value and shall be issued at the Net Asset Value per Share.

The Directors may decline to accept any application for Shares without giving any reason and may restrict the ownership of Shares by any person, firm or corporation in certain circumstances including where such ownership would be in breach of any regulatory or legal requirement or might affect the tax status of the Company or might result in the Company suffering certain disadvantages which it might not otherwise suffer. Any person who holds Shares in contravention of restrictions imposed by the Directors or, by virtue of his holding, is in breach of the laws and regulations of any applicable jurisdiction or whose holding could, in the opinion of the Directors, cause the Company to incur any liability to taxation or to suffer any pecuniary disadvantage which it or the Shareholders or any or all of them might not otherwise have incurred or sustained or otherwise in circumstances which the Directors believe might be prejudicial to the interests of the Shareholders, shall indemnify the Company, the Investment Manager and Distributor, the Custodian, the Administrator and Shareholders for any loss suffered by it or them as a result of such person or persons acquiring or holding Shares in the Company.

The Directors have power under the Articles of Association to compulsorily redeem and/or cancel any Shares held or beneficially owned in contravention of any restrictions imposed by them or in breach of any law or regulation.

Shares acquired directly or indirectly by a U.S. Person are subject to compulsory redemption by the Company.

None of the Company, the Investment Manager and Distributor, the Administrator or the Custodian or any of their respective directors, officers, employees or agents will be responsible or liable for the authenticity of instructions from Shareholders reasonably believed to be genuine and shall not be liable for any losses, costs or expenses arising out of or in conjunction with any unauthorised or fraudulent instructions. The Administrator shall, however, employ reasonable procedures to confirm that instructions are genuine.

Abusive Trading Practices/Market Timing

The Directors generally encourage investors to invest in the Company as part of a long-term investment strategy and discourage excessive or short term or abusive trading practices. Such activities, sometimes referred to as “market timing”, may have a detrimental effect on the Company and Shareholders. For example, depending upon various factors such as the size of the Company and the amount of its assets maintained in cash, short-term or excessive trading by Shareholders may interfere with the efficient management of the Company’s portfolio, increased transaction costs and taxes and may harm the performance of the Company.

The Directors seek to deter and prevent abusive trading practices and to reduce these risks, through several methods, including the following:

- (i) to the extent that there is a delay between a change in the value of the Company's portfolio holdings and the time when that change is reflected in the Net Asset Value per Share, the Company is exposed to the risk that investors may seek to exploit this delay by purchasing or redeeming Shares at a Net Asset Value per Share which does not reflect appropriate fair value prices. The Directors seek to deter and prevent this activity, sometimes referred to as "stale price arbitrage", by the appropriate use of their power to adjust the value of any investment having regard to relevant considerations in order to reflect the fair value of such investment.
- (ii) the Directors may monitor Shareholder account activities in order to detect and prevent excessive and disruptive trading practices and reserve the right to exercise their discretion to reject any subscription or conversion transaction without assigning any reason therefor and without payment of compensation if, in their judgment, the transaction may adversely affect the interest of the Company or its Shareholders. The Directors may also monitor Shareholder account activities for any patterns of frequent purchases and sales that appear to be made in response to short-term fluctuations in the Net Asset Value per Share and may take such action as they deem appropriate to restrict such activities.

There can be no assurances that abusive trading practices can be mitigated or eliminated. For example, nominee accounts in which purchases and sales of Shares by multiple investors may be aggregated for dealing with the Company on a net basis, conceal the identity of underlying investors in the Company which makes it more difficult for the Directors and their delegates to identify abusive trading practices.

Initial Offer Period

Shares in the Company will be offered from 9.00 a.m. (Irish Time) on 1st November, 2012 to 5.00 p.m. (Irish Time) on 14th November, 2012 (the "Initial Offer Period") at an initial price of USD 10 per share and subject to acceptance of applications for Shares by the Company will be issued for the first time on the first Dealing Day after expiry of the Initial Offer Period.

The Initial Offer Period may be shortened or extended by the Directors. The Central Bank will be notified in advance of any such shortening or extension if subscriptions for Shares have been received and otherwise on an annual basis.

After the closing of the Initial Offer Period, Shares in the Company will be issued at the Net Asset Value per Share.

Minimum Initial Subscription, Minimum Holding and Minimum Transaction Size

Each investor in the Company must subscribe a minimum of USD 500,000 for the Institutional Class, USD 500 for the Retail Class and USD 500 for the RDR Class and must retain Shares having a Net Asset Value of USD 500,000 for the Institutional Class, USD 500 for the Retail Class and USD 500 for the RDR Class. A Shareholder may make subsequent subscriptions, conversions and redemptions in

the Company, each subject to a Minimum Transaction Size of USD 50,000 for the Institutional Class, USD 500 for the Retail Class and USD 500 for the RDR Class.

The Directors reserve the right to waive or reduce the Minimum Initial Subscription, Minimum Holding and Minimum Transaction Size for a Class at their discretion.

Application for Shares

Initial applications should be made using an Application Form obtained from the Administrator or Distributor but may, if the Directors so determine, be made by facsimile subject to prompt transmission to the Administrator of the original signed Application Form and such other papers (such as documentation relating to money laundering prevention checks) as may be required by the Directors or their delegate. No redemptions or dividends will be processed until the original Application Form and such other papers as may be required by the Directors have been received and all anti-money laundering procedures have been completed. Subsequent applications to purchase Shares following the initial subscription may be made by facsimile, or by electronic means with the prior agreement of the Administrator and Company, without a requirement to submit original documentation and such applications should contain such information as may be specified from time to time by the Directors or their delegate. Amendments to a Shareholder's registration details and payment instructions will only be made following receipt of original written instructions from the relevant Shareholder.

Each initial investor must meet the Minimum Initial Subscription requirement for the applicable Class and retain Shares having a Net Asset Value equivalent to the Minimum Holding requirement for the applicable Class. The Directors may, in their discretion, waive or reduce the Minimum Initial Subscription requirement and the Minimum Holding requirement with respect to any Shareholder or applicant for shares.

Applications accepted by the Administrator on behalf of the Company and received by the Administrator prior to the Dealing Deadline for any Dealing Day will be dealt with on that Dealing Day. Any applications received after the Dealing Deadline will be dealt with on the following Dealing Day subsequent to the relevant Dealing Day unless the Directors in their absolute discretion otherwise determine. Such discretion may only be exercised by the Directors where the application is received subsequent to the Dealing Deadline but before the Net Asset Valuation Point. No interest will be paid in respect of payments received in circumstances where the application is held over until a subsequent Dealing Day.

Applications for Shares will not be accepted from any investor who is a U.S. Person.

Shareholders may be subject to a maximum sales charge of up to 5% of the subscription amount. Such sales charge will be charged as a preliminary once off charge, payable to the Distributor upon subscription. The Distributor may, in its sole discretion, waive or reduce, in whole or in part, any such charge.

Fractions

Subscription monies representing less than the subscription price for a Share will not be returned to the investor. Fractions of Shares will be issued where any part of the subscription monies for Shares represents less than the subscription price for one Share, provided however, that fractions shall not be calculated to less than two decimal places of a Share.

Subscription monies, representing less than two decimal places of a Share, will not be returned to the investor but will be retained by the Company in order to defray administration costs.

Method of Payment

Subscription payments net of all bank charges should be paid by CHAPS, SWIFT or telegraphic or electronic transfer to the bank account specified in the Application Form enclosed with this Prospectus. Other methods of payment are subject to the prior approval of the Directors.

Subject to certain conditions, the Directors may on any Dealing Day allot Shares in any Class on terms that settlement shall be made by the vesting in the Company assets of the type in which would qualify as investments of the Company in accordance with the investment objectives, policies and restrictions of the Company;

Currency of Payment

Subscription monies are payable in the currency applicable to each Class. However, the Company may accept payment in such other currencies, with the agreement of the Administrator and Directors as, at the prevailing exchange rate quoted by the Administrator. The cost and risk of converting currency will be borne by the investor.

Timing of Payment

Payment in respect of subscriptions must be received in cleared funds by the Administrator no later than close of business (Irish time) on the Business Day before the relevant Dealing Day. If payment in cleared funds in respect of a subscription has not been received by the relevant time, the Directors or its delegate may (and in the event of non-clearance of funds, shall) cancel the allotment.

Subscriptions in specie

In accordance with the terms and conditions set out in the Articles of Association of the Company, the Company may accept in specie applications for Shares provided that the nature of the assets to be transferred into the Company qualify as investments of the Company in accordance with its investment objective, policy and restrictions. Assets so transferred shall be vested with the Custodian or arrangements shall be made to vest the assets with the Custodian. The number of Shares to be issued shall not exceed the amount that would be issued for the cash equivalent. The Custodian shall be satisfied that the terms of any exchange will not be such as are likely to result in any prejudice to the existing shareholders of the Company. The cost of such subscription in specie shall be borne by the relevant Shareholder.

Confirmations

Confirmation of ownership of Shares will be sent to Shareholders within 24 hours of the release of the relevant dealing day's NAV. Title to Shares will be evidenced by the entering of the investor's name on the Company's register of Shareholders. No certificates will be issued. Amendments to a Shareholder's registration details and payment instructions will only be made following receipt of original written instructions from the relevant Shareholder.

Anti-Money Laundering and Countering Terrorist Financing Measures

Measures aimed at the prevention of money laundering and terrorist financing require a detailed verification of the investor's identity, address and source of funds and where applicable the beneficial owner on a risk sensitive basis and the ongoing monitoring of the business relationship. Additional verification in the case of a politically exposed person ("PEP's"), an individual who is or has, at any time in the preceding year, been entrusted with prominent public function, an investor who is an immediate family member of PEP, or an investor known to close associates of a PEP, must also be treated as a PEP. By way of example of suitable verification an individual may be required to produce an original certified copy of a passport or their photographic identification, together with two original copies of evidence of his/her address, such as a utility bill or bank statement. The investor may also be asked to provide his/her date of birth and tax residence if not shown on the material provided. In the case of corporate investors, such measures may require production of a certified copy of the certificate of incorporation (and any change of name), memorandum and articles of association (or equivalent), the names, occupations, dates of birth and residential and business address of all directors. Depending on the circumstances of each application, a detailed verification might not be required where for example, the application is made through a recognised intermediary. This exception will only apply if the intermediary referred to above is located within certain countries recognised by the company as having equivalent anti-money laundering and counter terrorist financing regulations (a list of these countries is available from the Administrator) and the investor produces a letter of undertaking from the recognised intermediary. Intermediaries cannot rely on third parties to meet the obligation to monitor the ongoing business relationship with an investor which remains their ultimate responsibility.

The Company (or Administrator on behalf of the Company) may request such additional information as it believes is necessary to verify the investor's identity, address and source of funds. Verification of the investor's identity is in general required to take place before .

In the event of delay or failure by an investor or applicant to produce any information required for verification purposes, the Company may refuse to accept the application or to return the subscription monies or may refuse to make payment of any repurchase proceeds until the required information is provided. None of the Company, the Directors, the Investment Manager or the Administrator shall be liable to the subscriber or Shareholder where an application for Shares is not processed or payment of repurchase proceeds is delayed in such circumstances.

Data Protection

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.

Redemption of Shares

Shareholders may redeem their Shares on a Dealing Day at the Net Asset Value per Share calculated as at the Valuation Point in relation to that Dealing Day.

Applications for the redemption of Shares should be made to the Administrator by facsimile or written communication or by electronic means with the prior agreement of the Administrator and Company (in accordance with the requirements of the Central Bank) and should include such information as may be specified from time to time by the Directors or their delegate. Requests for redemption received prior to the Dealing Deadline for any Dealing Day will be dealt with on that Dealing Day. Any requests for redemption received after the Dealing Deadline for a Dealing Day will be dealt with on the next Dealing Day subsequent to the relevant Dealing Day unless the Directors in their absolute discretion and in an equitable manner determine otherwise. Such discretion may only be exercised by the Directors where the request is received subsequent to the Dealing Deadline but before the Net Asset Valuation Point. Redemption requests will only be accepted where cleared funds and completed documents are in place from original subscriptions.

In the event of a Shareholder requesting a redemption which would, if carried out, leave the Shareholder holding Shares having a Net Asset Value less than the Minimum Holding, the Company may, if it thinks fit, redeem the whole of the Shareholder's holding.

Shareholders may be subject to a redemption fee calculated at up to 0.50% of redemption monies where they redeem Shares within twelve months of acquiring those Shares. Such a redemption fee shall be for the absolute use and benefit of the Company. For this purpose, Shares will be deemed to be redeemed on a first in first out basis.

Shares will not receive or be credited with any dividend declared on or after the Dealing Day on which they were redeemed.

The Directors may, with the consent or at the request of the relevant Shareholders, satisfy any request for the redemption of Shares by the transfer in specie to those Shareholders of assets of the Company having a value equal to the redemption price for the Shares redeemed as if the redemption

proceeds were paid in cash less any redemption charge and other expenses of the transfer as the Directors may determine.

In accordance with the requirements of the Central Bank, a determination to provide redemption in specie may be solely at the discretion of the Directors where the redeeming Shareholder requests redemption of a number of Shares that represents 5% or more of the Net Asset Value of the Company. A Shareholder requesting redemption shall be entitled to request the sale of any asset or assets proposed to be distributed in specie and the distribution to such Shareholder of the cash proceeds of such sale less the costs of such sale which shall be borne by the relevant Shareholder.

The Directors may in their absolute discretion refuse to accept a request for redemption in specie where the Directors determine, in consultation with the Investment Manager, that it would not be practicable to satisfy such a request. Where a request for redemption in specie has been refused by the Directors, in consultation with the Investment Manager, on the basis that it would not be practicable to satisfy such a request, the Administrator will reject the instruction from the relevant Shareholder and inform the Shareholder of the reason for the rejection. The Shareholder then has the option to submit a cash redemption request for settlement in the currency of the relevant Class.

The nature and type of assets to be transferred in specie to each Shareholder shall be determined by the Directors (subject to the approval of the Custodian as to the allocation of assets) on such basis as the Directors in their discretion shall deem equitable and not prejudicial to the interests of the remaining Shareholders in the Company or relevant Class.

Deferral of Redemptions

The Company shall not on any Dealing Day or in any period of seven consecutive Dealing Days, be bound to redeem (or consequently effect a conversion of) more than 10 per cent of the total Net Asset Value of Shares of the Company then in issue. If on any Dealing Day, or in any period of seven consecutive Dealing Days, the Company receives requests for redemptions of a greater value of Shares, it may declare that such redemptions are deferred until a Dealing Day not more than seven Dealing Days following such time. Any redemption requests in respect of the relevant Dealing Day so reduced will be effected in priority to subsequent redemption requests received on the succeeding Dealing Day, subject always to the 10 per cent limit. The limitation will be applied pro rata to all Shareholders who have requested redemptions to be effected on or as at such Dealing Day so that the proportion redeemed of each holding so requested is the same for all such Shareholders. These limits will be used only at times when realising assets of the Company to meet unusually heavy redemption requirements would create a liquidity constraint to the detriment of Shareholders remaining within the Company.

Method of Payment

Redemption payments will be made to the bank account detailed on the Application Form. Any amendments to an investor's registration details and payment instructions will only be effected on receipt of original documentation by the Administrator.

Currency of Payment

Shareholders will normally be repaid in the currency of the applicable Class. If, however, a Shareholder requests to be repaid in any other freely convertible currency, the necessary foreign exchange transaction may be arranged by the Administrator (at its discretion) on behalf of and for the account, risk and expense of the Shareholder.

Timing of Payment

Redemption proceeds in respect of Shares will be paid within 5 *Business Days* of the relevant Dealing Day provided that all the required documentation has been furnished to and received by the Administrator.

Withdrawal of Redemption Requests

Requests for redemption may not be withdrawn save with the written consent of the Company or its authorised agent or in the event of suspension of calculation of the Net Asset Value of the Company.

Compulsory Redemption of Shares/Deduction of Tax

Shareholders are required to notify the Administrator through whom Shares have been purchased immediately if they become U.S. Persons, and such Shareholders shall be required to redeem or transfer their Shares. Any other persons who are otherwise subject to restrictions on ownership imposed by the Directors may also be required to redeem or transfer their Shares. The Company may redeem any Shares which are or become owned, directly or indirectly, by or for the benefit of any person in breach of any restrictions on ownership from time to time specified by the Directors or if the holding of Shares by any person is unlawful or is likely to result or results in any tax, fiscal, legal, regulatory, pecuniary liability or disadvantage or material administrative disadvantage to any of the Company or the Shareholders or by any person who holds less than the Minimum Holding or does not supply any information or declaration required under the Articles of Association within seven days of a request to do so. Any such redemption will be effected on a Dealing Day at the Net Asset Value per Share calculated on or with respect to the relevant Dealing Day on which the Shares are to be redeemed. The Company may apply the proceeds of such compulsory redemption in the discharge of any taxation or withholding tax arising as a result of the holding or beneficial ownership of Shares by a Shareholder including any interest or penalties payable thereon. The attention of investors in relation to the section of the prospectus entitled "Taxation" and in particular the section therein headed "Taxation of the Company in Ireland" which details circumstances in which the Company shall be entitled to deduct from payments to Shareholders who are resident or ordinarily resident in Ireland amounts in respect of liability of to Irish taxation including any penalties and interest thereon and/or compulsorily redeem Shares to discharge such liability. Relevant Shareholders will 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 an event giving rise to a charge to taxation.

The Hiring Incentives to Restore Employment Act (the "Hire Act") was signed into US law in March 2010. It includes provisions generally known as FATCA. The intention of FATCA is that details of US investors holding assets outside the US will be reported by financial institutions to the IRS, as a

safeguard against US tax evasion. Although the full impact of the FATCA rules is not yet known, the Company may require Shareholders to provide documentary evidence of their tax residence in order to comply with the FATCA requirements.

Total Redemption of Shares

All of the Shares in any Class or Classes may be redeemed:

- (a) on the giving by the Company of not less than four nor more than twelve weeks' notice expiring on a Dealing Day to Shareholders of its intention to redeem such Shares; or
- (b) if the holders of 75% in value of the relevant Class(es) resolve at a meeting of the Shareholders duly convened and held that such Shares should be redeemed.

The Directors may resolve in their absolute discretion to retain sufficient monies prior to effecting a total redemption of Shares to cover the costs associated with the liquidation of the Company.

Conversion of Shares

Subject to the following, Shareholders may convert some or all of their Shares in one Class ("the Original Class") to Shares in another Class ("the New Class"). Shareholders may apply to convert Shares on any day which is a Dealing Day by facsimile or written communication or by electronic means with the prior agreement of the Administrator and Company (in accordance with the requirements of the Central Bank) as may from time to time be specified by the Directors or their delegate. Requests for conversion should be received prior to the earlier of the Dealing Deadline for redemptions in the Company from which conversion is requested and the Dealing Deadline for subscriptions in the Company into which conversion is requested. Any applications received after such time will be dealt with on the next Dealing Day, unless the Directors in their absolute discretion otherwise determine. Such discretion may only be exercised by the Directors where the application is received subsequent to the Dealing Deadline but before the Valuation Point for the relevant Dealing Day. Conversion requests will only be accepted where cleared funds and completed documents are in place from original subscriptions.

A conversion request will not be processed where the investor would be an initial investor in the New Class and would not comply with the Minimum Initial Subscription requirement for Shares in the New Class.

In addition, where a conversion request would result in a Shareholder holding a number of Shares of either the Original Class or the New Class which would be less than the Minimum Holding for such Class, the Directors or their delegate may, if they think fit, convert the whole of the Shareholder's holding in the Original Class to Shares in the New Class or refuse to effect any conversion from the Original Class.

Fractions of Shares which shall not be less than two decimal places of a Share may be issued by the Company on conversion where the value of Shares converted from the Original Class are not sufficient to purchase an integral number of Shares in the New Class and any balance representing

less than two decimal places of a Share will be retained by the Company in order to defray administration costs.

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

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

where

S is the number of Shares of the New Class to be allotted.

R is the number of Shares in the Original Class to be converted.

NAV is the Net Asset Value per Share of the Original Class at the Valuation Point in relation to the relevant Dealing Day.

ER is the currency conversion factor (if any) as determined by the Administrator.

SP is the Net Asset Value per Share of the New Class at the Valuation Point in relation to the relevant Dealing Day.

It is not intended to impose a conversion charge.

Withdrawal of Conversion Requests

Conversion requests may not be withdrawn save with the written consent of the Directors or their authorised agent or in the event of a suspension of calculation of the Net Asset Value of the Company.

Net Asset Value and Valuation of Assets

The Directors have delegated the calculation of the Net Asset Value to the Administrator.

The Net Asset Value of the Company shall be determined as at the Valuation Point for the relevant Dealing Day by ascertaining the value of the assets of the Company (including income accrued but not collected) and deducting the liabilities of the Company (including a provision for duties and charges, accrued expenses and fees, including those to be incurred in the event of the liquidation of the Company and all other liabilities). The Net Asset Value attributable to each Class will be calculated by the Administrator as at the Valuation Point in relation to each Dealing Day in accordance with accounting standards generally accepted in Ireland and the provisions of the Articles of Association. The Net Asset Value attributable to a Class shall be determined by calculating that portion of the Net Asset Value of the Company attributable to the relevant Class subject to adjustment to take account of any entitlements, costs or expenses attributable to the Class. The Net Asset Value per Share of a Class shall be determined as at the Valuation Point in relation to each Dealing Day by dividing the Net Asset Value attributable to the Class by the total number of Shares in issue in the Class at the relevant Valuation Point and rounding the resulting total to two decimal places. The Net

Asset Value attributable to a Class will be expressed in the denominated currency of that Class, or in such other currency as the Directors may determine.

In determining the Net Asset Value of the Company:-

- (a) Investments which are quoted, listed or traded on a Recognised Exchange save as hereinafter provided at (d), (e), (f), (g) and (h) will be valued at closing mid market prices. Where an investment is listed or dealt in on more than one Recognised Exchange the relevant exchange or market shall be the principal stock exchange or market on which the Investment is listed or dealt on or the exchange or market which the Directors determine provides the fairest criteria in determining a value for the relevant investment. Investments listed or traded on a Recognised Exchange, but acquired or traded at a premium or at a discount outside or off the relevant exchange or market may be valued taking into account the level of premium or discount at the Valuation Point provided that the Custodian shall be satisfied that the adoption of such a procedure is justifiable in the context of establishing the probable realisation value of the investment.
- (b) The value of any Investment which is not quoted, listed or dealt in on a Recognised Exchange or which is so quoted, listed or dealt but for which no such quotation or value is available or the available quotation or value is not representative of the fair market value shall be either (i) the probable realisation value as estimated with care and good faith by a competent person, firm or corporation (including the Investment Manager) selected by the Directors and approved for the purpose by the Custodian or (ii) the value as determined by any other means provided that such value is approved by the Custodian. Where reliable market quotations are not available for fixed income securities the value of such securities may be determined by reference to the valuation of other securities which are comparable in rating, yield, due date and other characteristics. The matrix methodology will be compiled by the Directors as outlined above.
- (c) Cash and other liquid assets will be valued at its nominal value plus accrued interest, where applicable, to the end of the relevant day on which the Valuation Point occurs, unless in any case the Directors are of the opinion that such assets are unlikely to be paid or received in full in which case the value thereof shall be arrived at after making such discount as the Directors or their delegate (with the approval of the Custodian) may consider appropriate in such case to reflect the true value thereof,.
- (d) Forward foreign exchange contracts shall be valued on the basis of a quotation provided at least daily by the relevant counterparty and verified at least weekly by a party which is independent of the counterparty, including the Investment Manager, and which is approved for such purpose by the Custodian.
- (e) Notwithstanding paragraph (a) above units in collective investment schemes shall be valued at the latest available bid price or net asset value of the units of the relevant collective investment scheme.

- (f) The Directors may, with the approval of the Custodian, adjust the value of any investment if, having regard to its currency, marketability, applicable interest rates, anticipated rates of dividend, maturity, liquidity or any other relevant considerations, they consider that such adjustment is required to reflect the fair value thereof.
- (g) Any value expressed otherwise than in the Base Currency shall be converted into the Base Currency at the exchange rate (whether official or otherwise) which the Directors shall determine to be appropriate.

If it is impossible or would be incorrect to carry out a valuation of a specific investment in accordance with the above rules owing to particular circumstances the Directors or a competent person with the approval of the Custodian shall use any such alternative method of valuation as approved by the Custodian, which can be examined by the Auditors, in order to reach a proper valuation of the total assets of the Company.

In calculating the value of assets of the Company the following principles will apply:

- (a) every Share agreed to be issued by the Directors with respect to each Dealing Day shall be deemed to be in issue at the close of business on the relevant Dealing Day and the assets of the Company shall be deemed to include as at the close of business on the relevant Dealing Day not only cash and property in the hands of the Custodian but also the amount of any cash or other property to be received in respect of Shares agreed to be issued after deducting therefrom (in the case of Shares agreed to be issued for cash) or providing for preliminary charges;
- (b) where investments have been agreed to be purchased or sold but such purchase or sale has not been completed, such investments shall be included or excluded and the gross purchase or net sale consideration excluded or included as the case may require as if such purchase or sale had been duly completed;
- (c) there shall be added to the assets of the Company any actual or estimated amount of any taxation of a capital nature which may be recoverable by the Company which is attributable to the Company;
- (d) there shall be added to the assets of the Company a sum representing any interest, dividends or other income accrued but not received and a sum representing unamortised expenses;
- (e) there shall be added to the assets of the Company the total amount (whether actual or estimated by the Directors or their delegate) of any claims for repayment of any taxation levied on income or capital gains including claims in respect of double taxation relief;
- (f) where notice of the redemption of Shares has been received by the Company with respect to a Dealing Day and the cancellation of such Shares has not been completed, the Shares to be redeemed shall be deemed not to be in issue at the close of business on the relevant Dealing Day and the value of the assets of the Company shall be deemed to be reduced by the

amount payable upon such redemption as at the close of business on the relevant Dealing Day;

- (g) there shall be deducted from the assets of the Company:
- (i) the total amount of any actual or estimated liabilities properly payable out of the assets of the Company including any and all outstanding borrowings of the Company, interest, fees and expenses payable on such borrowings and any estimated liability for tax and such amount in respect of contingent or projected expenses as the Directors consider fair and reasonable as of the relevant Valuation Point;
 - (ii) such sum in respect of tax (if any) on income or capital gains realised on the investments of the Company as in the estimate of the Directors will become payable;
 - (iii) the amount (if any) of any distribution declared but not distributed in respect thereof;
 - (iv) the remuneration of the Investment Manager and Distributor, the Administrator, the Custodian and any other providers of services to the Company accrued but remaining unpaid together with a sum equal to the value added tax chargeable thereon (if any);
 - (v) the total amount (whether actual or estimated by the Directors) of any other liabilities properly payable out of the assets of the Company (including all establishment, operational and ongoing administrative fees, costs and expenses) as of the relevant Valuation Point;
 - (vi) an amount as of the relevant Valuation Point representing the projected liability of the Company in respect of costs and expenses to be incurred by the Company in the event of a subsequent liquidation;
 - (vii) an amount as of the relevant Valuation Point representing the projected liability of the relevant calls on Shares in respect of options written by the Company; and
 - (viii) any other liability which may properly be deducted.

The valuation policies selected and applied in order to value each class of asset of the Company shall be applied consistently with respect to the Company and across the different types of investments, throughout the life of the Company.

Where hedging strategies are used in relation to a Class, the financial instruments used to implement such strategies shall be deemed to be assets or liabilities (as the case may be) of the Company as a whole but the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant Class.

In the absence of negligence, fraud or wilful default, every decision taken by the Directors or any committee of the Directors or by any duly authorised person on behalf of the Company in determining the value of any investment or calculating the Net Asset Value of the Company or attributable to a

Class or the Net Asset Value per Share shall be final and binding on the Company and on present, past or future Shareholders.

Publication of Net Asset Value per Share

The Net Asset Value per Share shall be made available on the internet at the website www.bloomberg.com and/or will be published in such publications as the Directors may determine in the jurisdictions in which the Shares are registered for sale and shall be updated following each calculation of the Net Asset Value per Share. The Net Asset Value per Share may also be obtained either from the Administrator or Distributor during normal business hours.

Suspension of Valuation of Assets

The Directors may at any time and from time to time temporarily suspend the determination of the Net Asset Value of the Company and the issue, conversion and redemption of Shares in the Company during:

- (a) the whole or part of any period (other than for ordinary holidays or customary weekends) when any of the Recognised Exchanges on which the Company's investments are quoted, listed, traded or dealt are closed or during which dealings therein are restricted or suspended or trading is suspended or restricted; or
- (b) the whole or part of any period when circumstances outside the control of the Directors exist as a result of which any disposal or valuation of investments of the Company is not reasonably practicable or would be detrimental to the interests of Shareholders or it is not possible to transfer monies involved in the acquisition or disposition of investments to or from the relevant account of the Company; or
- (c) the whole or any part of any period when any breakdown occurs in the means of communication normally employed in determining the value of any of the Company's investments; or
- (d) the whole or any part of any period when for any reason the value of any of the Company's investments cannot be reasonably, promptly or accurately ascertained; or
- (e) the whole or any part of any period when the Company is unable to repatriate funds required for making redemption payments or when such payments cannot, in the opinion of the Directors, be carried out at normal rates of exchange.

Any suspension of valuation shall be notified to the Central Bank, in the case of a listing to the Irish Stock Exchange and the Custodian immediately and, in any event, within the same Business Day and shall be published on www.bloomberg.com. Where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

The Central Bank may also require that the Company temporarily suspends the determination of the Net Asset Value of the Company and the issue and redemption of Shares in the Company if it decides that it is in the best interests of the general public and the Shareholders to do so.

5. TAXATION

General

The section below on Irish taxation is a brief summary of the tax advice received by the Directors relating to current law and practice which may be subject to change and interpretation.

The information given below does not constitute legal or tax advice and prospective investors should consult their professional advisers on the possible tax consequences of buying, selling, converting, holding or redeeming Shares under the laws of the jurisdictions in which they may be subject to tax. Investors are also advised to inform themselves as to any exchange control regulations applicable in their country of residence.

Generally the tax consequences of acquiring, holding, converting, redeeming or disposing of Shares in the Company will depend on the relevant laws of the jurisdiction to which the Shareholder is subject. These consequences will vary with the law and practice of the Shareholder's country of residence, domicile or incorporation and with his personal circumstances.

Dividends, interest and capital gains (if any) on securities issued in countries other than Ireland may be subject to taxes including withholding taxes imposed by such countries. The Company may not be able to benefit from a reduction in the rate of withholding tax by virtue of the double taxation agreement in operation between Ireland and other countries. The Company may not, therefore, be able to reclaim withholding tax suffered by it in particular countries. If this position changes in the future, and the application for a lower rate results in a repayment to the Company, the Net Asset Value of the Company will not be restated and the benefit will be allocated to the existing Shareholders rateably at the time of repayment.

Taxation of the Company in Ireland

The Directors have been advised that on the basis that the Company is resident in Ireland for taxation purposes the taxation position of the Company and the Shareholders is as set out below.

The Company 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, the Company is not chargeable to Irish tax on its income and gains.

However, tax can arise on the happening of a "chargeable event" in the Company. A chargeable event includes any distribution payments to Shareholders or any encashment, redemption, cancellation, transfer or deemed disposal (a deemed disposal will occur at the expiration of a Relevant Period) of Shares or the 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 chargeable events in respect of a Shareholder who is neither Irish Resident nor Ordinarily Resident in Ireland at the time of the chargeable event provided that a Relevant Declaration is in place and the Company is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct. In the absence of either a Relevant Declaration or the Company satisfying and availing of equivalent measures (see paragraph headed “*Equivalent Measures*” below) there is a presumption that the investor is Irish Resident or Ordinarily Resident in Ireland.

A chargeable event does not include:

- An exchange by a Shareholder, effected by way of an arm’s 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 Shares where the transfer is between spouses and former spouses, subject to certain conditions; or
- An exchange of Shares arising on a qualifying amalgamation or reconstruction (within the meaning of Section 739H of the TCA) of the Company with another investment undertaking.

Following legislative changes in the Finance Act 2006, the holding of Shares at the end of a Relevant Period will also constitute a chargeable event. Finance Act 2008 provides that where the value of the Shares held by non-exempt Irish Shareholders is less than 10% of the value of the total Shares of the Company, the Company will not be obliged to deduct tax on the happening of such a chargeable event, provided they elect to report certain information to the Revenue Commissioners and the Shareholder. In such circumstances, the Shareholder will have to account for the appropriate tax arising on the happening of the chargeable event on a self-assessment basis. To the extent that any tax arises on such a chargeable event, such tax will be allowed as a credit against any tax payable on the subsequent encashment, redemption, cancellation or transfer of the relevant Shares. In the case of Shares held in a recognised clearing system, the Shareholders may have to account for the appropriate tax arising at the end of a Relevant Period on a self-assessment basis.

Should an excess payment of appropriate tax arise on the redemption of Shares as a result of tax paid on an earlier deemed chargeable event, the Company, on election, is not obliged to process the refund arising on behalf of a relevant Shareholder provided the value of the Shares held by non-exempt Irish Shareholders does not exceed 15% of the total value of the Shares in the Company. Instead the Shareholder should seek such a repayment directly from the Revenue Commissioners. Finance Act 2008 also provides for the making of an irrevocable election by the Company to value the Units on 30 June or 31 December immediately prior to the end of the Relevant Period, rather than on the date of the end of the Relevant Period itself.

Rate of Tax

In the absence of the relieving provisions outlined above, the Company is liable to account for Irish tax arising on gains arising on chargeable events as follows: where the chargeable event is an income distribution (where payments are made annually or at more frequent intervals), tax will be deducted at

the rate of 30% on the amount of the distribution; in respect of all other chargeable events, tax will be deducted at the rate of 33% on the amount of the gain. However, where a chargeable event arises in connection with a Corporate Shareholder who is Irish Resident, tax will be deducted at the rate of 25%.

Recovery of Tax by the Company

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.

Taxation of Shareholders in Ireland

Shares which are held in a Recognised Clearing System

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

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

Shareholders who are neither Irish Residents nor Ordinarily Resident in Ireland

The Company will not have to deduct tax on the occasion of a chargeable event in respect of a Shareholder if (a) the Shareholder is neither Irish Resident nor Ordinarily Resident in Ireland, (b) the Shareholder has made a Relevant Declaration on or about the time when the Shares are applied for or acquired by the Shareholder and (c) the Company is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct. In the absence of either a Relevant Declaration (provided in a timely manner) or the Company satisfying and availing of equivalent measures (see paragraph headed "*Equivalent Measures*" below) tax will arise on the happening of a chargeable event in the Company regardless of the fact that a Shareholder is

neither Irish Resident nor Ordinarily Resident in Ireland. The appropriate tax that will be deducted is as described below.

To the extent that a Shareholder is acting as an Intermediary on behalf of persons who are neither Irish Resident nor Ordinarily Resident in Ireland no tax will have to be deducted by the Company on the occasion of a chargeable event provided that either (i) the Company has received approval from the Irish Revenue Commissioners that appropriate equivalent measures are in place and this approval has not been withdrawn or (ii) the Intermediary has made a Relevant Declaration that he/she is acting on behalf of such persons and the Company is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct.

Shareholders who are neither Irish Residents nor Ordinarily Resident in Ireland and either (i) the Company has satisfied and availed of the equivalent measures or (ii) such Shareholders 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.

Shareholders who are Irish Residents or Ordinarily Resident in Ireland

Unless a Shareholder is an Exempt Irish Investor and makes a Relevant Declaration to that effect and the Company is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct or unless the Shares are purchased by the Courts Service, tax, currently at the rate of 30% 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, currently at the rate of 33% will have to be deducted by the Company on any other distribution or gain arising to the Shareholder (other than an Exempt Irish Investor who has made a Relevant Declaration) on an encashment, redemption, cancellation, transfer or deemed disposal (see below) of Shares by a Shareholder who is Irish Resident or Ordinarily Resident in Ireland. However, in the case of a Corporate Shareholder tax, currently at the rate of 25% will have to be deducted by the Company on any distribution or gain arising on an encashment, redemption, cancellation, transfer or deemed disposal of Shares by the corporate shareholder. Tax will also have to be deducted in respect of Shares held at the end of a Relevant Period (in respect of any excess in value over the cost of the Relevant Shares) to the extent that the Shareholder is Irish Resident or Irish Ordinarily Resident and is not an Exempted Irish Investor who has made a Relevant Declaration.

There are a number of Irish Resident and Ordinarily Resident in Ireland Shareholders 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.

Non-corporate Shareholders who are Irish Resident or Ordinarily Resident in Ireland will not be subject to further Irish tax on income from their Shares or gains made on the disposal of their Shares where tax has been deducted by the Company on payments received.

Corporate Shareholders who are Irish Resident who receive any distributions or gains on an encashment, redemption, cancellation or transfer of shares from which tax has been deducted will be treated as having received an annual payment subject to tax under Case IV of Schedule D of the TCA from which tax currently at 25% has been deducted. Corporate Shareholders who are Irish Resident and 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.

Any Shareholders who are Irish Resident or Ordinarily Resident in Ireland and receive a gain on an encashment, cancellation, redemption, 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.

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.

Equivalent Measures

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

Personal Portfolio Investment Undertaking ("PPIU")

The Finance Act 2007 introduced new provisions regarding the taxation of Irish Resident individuals or individuals Ordinarily Resident in Ireland who hold shares in a personal portfolio investment undertaking ("PPIU"). Essentially, an investment undertaking will be considered a PPIU in relation to a specific investor where that investor can influence the selection of some or all of the property held by the investment undertaking, either directly or through persons acting on behalf of or connected to the

investor. Any gain arising on a chargeable event in relation to an investment undertaking which is a PPIU in respect of an individual where that chargeable event occurs on or after 20th February 2007, will be currently taxed at 53% (the standard rate of income tax plus 33%). Specific exemptions apply where the property invested in has been clearly identified in the investment undertaking's marketing and promotional literature and the investment is widely marketed to the public. Further restrictions may be required where the investments held by the investment undertaking are in land or real property or unquoted shares deriving their value from such investments.

Other Relevant Irish Taxes

Distributions paid by the Company are not subject to dividend withholding tax.

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

Stamp Duty

No stamp duty is payable in Ireland on the issue, transfer, repurchase or redemption of Shares in the Company. Where any subscription for or redemption of Shares is satisfied by the in specie transfer of Irish securities or other Irish property, Irish stamp duty may 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 an investment undertaking within the meaning of Section 739B of the TCA) which is registered in Ireland.

Capital Acquisitions Tax

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

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

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

European Savings Directive

The EU has adopted EC Directive 2003/48/EC regarding the taxation of savings income. The Directive requires Member States and certain other relevant territories to provide to the tax authorities of other Member States details of payments of interest (which may include distributions or redemption payments by collective investment funds, including UCITS) or other similar income paid by a paying agent 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.

Accordingly, the Custodian, Administrator, paying agent or such other entity considered a “paying agent” (for these purposes 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) 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 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 operate 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.

For the purposes of the Directive, interest payments include income distributions made by certain collective investment funds (in the case of EU domiciled funds, the Directive currently only applies to UCITS), to the extent that the Company has invested more than 15% of its assets directly or indirectly in interest bearing securities and income realised upon the sale, repurchase or redemption of fund units to the extent that the Company has invested more than 25% of its assets directly or indirectly in interest bearing securities.

On 13 November 2008 the European Commission adopted an amending proposal to the Directive. If implemented, the proposed amendments would, inter alia, (i) extend the scope of the EU Savings Directive to payments made through certain intermediate structures (whether or not established in a Member State) for the ultimate benefit of an EU resident individual and (ii) provide for a wider definition of interest subject to the EU Savings Directive. As at the date of this prospectus, it is not known whether and if so when, the amending proposal will become law.

Tax Definitions

For the purposes of the above Irish taxation section, the following definitions shall apply.

“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.

An individual will be regarded as being resident in Ireland for a tax year if he/she is present in Ireland: (1) for a period of at least 183 days in that tax year; or (2) for a period of at least 280 days in any two consecutive tax years, provided that the individual is present in Ireland for at least 30 days in each period. In determining days present in Ireland, an individual is deemed to be present if he/she is in Ireland at any time during the day. This new test takes effect from 1 January 2009 (previously in determining days present in Ireland an individual was deemed to be present if he/she was in Ireland at the end of the day (midnight)).

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

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

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

or

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

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

“Ordinarily Resident in Ireland”

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

An individual will be regarded as ordinarily resident for a particular tax year if he/she has been Irish Resident for the three previous consecutive tax years (i.e. he/she becomes ordinarily resident with effect from the commencement of the fourth tax year). An individual will remain ordinarily resident in Ireland until he/she has been non-Irish Resident for three consecutive tax years. Thus, an individual who is resident and ordinarily resident in Ireland in the tax year 1 January 2011 to 31 December 2011

and departs from Ireland in that tax year will remain ordinarily resident up to the end of the tax year 1 January 2014 to 31 December 2014.

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

“Exempt Irish Investor”

- a pension scheme which is an exempt approved scheme within the meaning of Section 774 of the TCA or a retirement annuity contract or a trust scheme to which Section 784 or 785 of the TCA applies;
- a company carrying on life business within the meaning of Section 706 of the TCA;
- an investment undertaking within the meaning of Section 739B(1) of the TCA;
- a special investment scheme within the meaning of Section 737 of the TCA;
- a charity being a person referred to in Section 739D(6)(f)(i) of the TCA;
- a unit trust to which Section 731(5)(a) of the TCA applies;
- a qualifying fund manager within the meaning of Section 784A(1)(a) of the TCA where the Shares held are assets of an approved retirement fund or an approved minimum retirement fund;
- a qualifying management company within the meaning of Section 739B of the TCA;
- a personal retirement savings account (“PRSA”) administrator acting on behalf of a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 787I of the TCA and the Shares are assets of a PRSA;
- a credit union within the meaning of Section 2 of the Credit Union Act, 1997;
- the National Pensions Reserve Fund Commission;
- the National Asset Management Agency;
- a company which is within the charge to corporation tax in accordance with Section 110(2) of the TCA in respect of payments made to it by the Company or
- any other Irish Resident or persons who are Ordinarily Resident in Ireland/Irish Ordinary Resident* who may be permitted to own Shares under taxation legislation or by written practice or concession of the Revenue Commissioners without giving rise to a charge to tax in the Company or jeopardising tax exemptions associated with the Company giving rise to a charge to tax in the Company;

provided that they have correctly completed the Relevant Declaration.

“Intermediary”

means a person who:-

- carries on a business which consists of, or includes, the receipt of payments from an investment undertaking on behalf of other persons; or
- holds shares in an investment undertaking on behalf of other persons.

“Recognised Clearing System”

means Bank One NA, Depository and Clearing Centre, Clearstream Banking AG, Clearstream Banking SA, CREST, Depository Trust Company of New York, Euroclear, Japan Securities Depository Center, National Securities Clearing System, Sicovam SA, SIS Segma Inter-settle AG or any other system for clearing shares which is designated for the purposes of Chapter 1A in Part 27 of the TCA, by the Irish Revenue Commissioners as a recognised clearing system.

“Relevant Declaration”

means the declaration relevant to the Shareholder as set out in Schedule 2B of the TCA.

“Relevant Period”

means a period of 8 years beginning with the acquisition of a Share by a Shareholder and each subsequent period of 8 years beginning immediately after the preceding relevant period.

“TCA”

The Taxes Consolidation Act, 1997 (of Ireland) as amended.

United Kingdom Taxation

The following is a summary of various aspects of the United Kingdom taxation regime which may apply to UK resident or ordinarily resident persons acquiring Shares in the classes of the Company, and where such persons are individuals, only to those domiciled in the UK. It is intended as a general summary only, based on current law and practice in force as of the date of this Prospectus. 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. Such law and practice may be subject to change, and the below summary is not exhaustive. Furthermore, it will apply only to those UK Shareholders holding Shares as an investment rather than those which hold Shares as part of a financial trade; and does not cover UK Shareholders which are tax exempt or subject to special taxation regimes.

This summary should not be taken to constitute legal or tax advice, and any prospective Shareholder should consult their own professional advisers as to the UK tax treatment of returns from the holding of Shares in the Company.

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, and the holding, purchasing, switching or disposing of Shares in the place of their citizenship, residence and domicile.

The Company

The affairs of the Company are intended to be conducted in such a manner that it should not become resident in the UK for taxation purposes. Therefore, on the condition that the Company does not carry on a trade in the UK through a permanent establishment located there, then the Company will not be

subject to UK corporation tax on income or chargeable gains arising to it, other than on certain UK source income.

It is not expected that the activities of the Company will be regarded as trading activities for the purposes of UK Taxation. However, to the extent that trading activities are carried on in the UK they may in principle be liable to UK tax. The profit from such trading activities will not be assessed to UK tax provided that the Company and the Investment Manager meet certain conditions. The Directors and the Investment Manager intend to conduct the respective affairs of the Company and the Investment Manager so that all the conditions are satisfied, so far as those conditions are within their respective control, but it cannot be guaranteed that the conditions necessary to prevent this will at all times be satisfied.

Income and gains received by the Company may be subject to withholding or similar taxes imposed by the country in which such returns arise.

Shareholders

Subject to their personal tax position, Shareholders resident in the UK for taxation purposes will normally be liable to UK income tax or corporation tax in respect of dividends or other distributions of the Company (including Redemption Dividends and any dividends funded out of realised capital profits of the Company), whether or not reinvested. In addition, UK resident shareholders holding shares at the end of each "reporting period" (as defined for UK tax purposes) will potentially be liable to UK income or corporation tax on their share of a class's "reported income", to the extent that this amount exceeds dividends received. Further details on the reporting regime and its implication for investors are discussed in more detail below. Both dividends and reported income will be treated as dividends received from a foreign corporation, subject to any recharacterisation of interest, as described below.

From 22 April 2009, individual shareholders resident or ordinarily resident in the UK under certain circumstances may benefit from a non-refundable tax credit in respect of dividends or reported income received from corporate offshore funds invested largely in equities. However, where the offshore fund investment more than 60% of its assets in interest-bearing (or economically similar) assets, distributions or reporting income will be treated and taxed as interest in the hands of the individual, with no tax credit.

Under Part 9A of the Corporation Tax Act 2009, from 1 July 2009 dividend distributions from an offshore fund made to companies resident in the UK are likely to fall within one of a number of exemptions from UK corporation tax. In addition, distributions to non-UK companies carrying on a trade in the UK through a permanent establishment in the UK should also fall within the exemption from UK corporation tax on dividends to the extent that the shares held by that fund are used by, or held for, that permanent establishment. Reported income will be treated in the same way as a dividend distribution for these purposes.

Shareholdings in the Company are likely to constitute interests in an "offshore fund", as defined for the purposes of Part 8 of the Taxation (International and Other Provisions) Act 2010, with each share class of the Company treated as a separate 'offshore fund' for these purposes. 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 was certified by the HM Revenue & Customs as a “distributing fund” under the UK Distributor Status Regime or is approved as a “reporting fund” under the new UK Reporting Fund Regime, throughout the period during which the shares have been held.

UK Reporting Fund Regime

The Offshore Funds (Tax) Regulations 2009 which were introduced on 1 December 2009 provide that if an investor resident or ordinarily resident in the UK for taxation purposes holds an interest in an offshore fund and that offshore fund is a ‘non-reporting fund’, any gain accruing to that investor upon the sale or other disposal of that interest will be charged to UK tax as income and not as a capital gain. Alternatively, where an investor resident or ordinarily resident in the UK holds an interest in an offshore fund that has been a ‘reporting fund’ for all periods of account for which they hold their interest, any gain accruing upon sale or other disposal of the interest will be subject to tax as a capital gain rather than income; with relief for any accumulated or reinvested profits which have already been subject to UK income tax or corporation tax on income (even where such profits are exempt from UK corporation tax).

Where an offshore fund may have been a non-reporting fund for part of time during which the UK Shareholder held their interest and a reporting fund for the remainder of that time, there are elections which can potentially be made by the Shareholder in order to pro-rate any gain made upon disposal; the impact being that the portion of the gain made during the time when the offshore fund was a reporting fund would be taxed as a capital gain. Such elections have specified time limits in which they can be made. Investors should refer to their tax advisors for further information.

It should be noted that a “disposal” for UK tax purposes would generally include a switching of interest between sub-funds within the Company and might in some circumstances include switching of interests between classes in the Company.

In broad terms, a ‘reporting fund’ is an offshore fund that meets certain upfront and annual reporting requirements to HM Revenue & Customs and its Shareholders. The Directors intend to manage the affairs of the Company so that these upfront and annual duties are met and continue to be met on an ongoing basis for all share classes within the Company, which have been accepted into the UK reporting fund regime. Such annual duties will include calculating and reporting the income returns of the offshore fund for each reporting period (as defined for UK tax purposes) on a per-Share basis to all relevant Shareholders (as defined for these purposes). UK Shareholders which hold their interests at the end of the reporting period to which the reported income relates, will be subject to income tax or corporation tax on the higher of any cash distribution paid and the full reported amount. The reported income will be deemed to arise to UK Shareholders on the date six months following the end of the reporting period.

Once reporting fund status is obtained from HM Revenue & Customs for the relevant classes, it will remain in place permanently so long as the annual requirements are undertaken. Investors should refer to their tax advisors in relation to the implications of the Company's obtaining such status.

When the share classes obtain UK reporting fund status, UK Shareholders holding Shares at the end of each reporting period (as defined for UK tax purposes) will potentially be subject to UK income tax or corporation tax on their share of a class's reported income, to the extent that this amount exceeds dividends received. Both dividends and reported income will be treated as dividends received from a foreign corporation, subject to any re-characterisation as interest, as described below.

General

The attention of individual shareholders ordinarily resident in the UK is drawn to the provisions of Chapter 2 of Part 13 of the Income Taxes Act 2007. These provisions are aimed at preventing the avoidance of UK income tax by individuals through transactions resulting in the transfer of assets or income to persons (including companies) resident or domiciled outside the UK, and may render them liable to income tax in respect of undistributed income of the Company on an annual basis. The legislation is not directed towards the taxation of capital gains.

Corporate Shareholders resident in the UK should note the provisions of Chapter 4 of Part 17 of the Income and Corporation Taxes Act 1988 which may have the effect in certain circumstances of subjecting a company resident in the UK to UK corporation tax on the profits of a company resident outside the UK. A charge to tax cannot however arise unless the non-resident company is under the control of persons resident in the UK and, on apportionment of the non-resident's "chargeable profits" more than 25% would be attributed to the UK resident and persons associated or connected with them and is resident in a low tax jurisdiction.

The attention of UK resident corporate Shareholders is drawn to Chapter 3 of Part 6 of the Corporation Tax Act 2009, whereby interests of UK companies in offshore funds may be deemed to constitute a loan relationship; with the consequence that all profits and losses on such relevant interests are chargeable to UK corporation tax in accordance with a fair value basis of accounting. These provisions apply where the market value of relevant underlying interest bearing securities and other qualifying investments of the offshore fund (broadly investments which yield a return directly or indirectly in the form of interest) are at any time more than 60% of the value of all the investments of the offshore fund.

The attention of investors resident or ordinarily resident in the UK (and who, if individuals, are also domiciled in the UK for those purposes) is drawn to the provisions of Section 13 of Taxation of Chargeable Gains Act 1992. Under these provisions, where a chargeable gain accrues to a company that is not resident in the UK, but which would be a close company if it were resident in the UK, a person may be treated as though a proportional part of that chargeable gain, calculated by reference to their interest in the company, has accrued to them. No liability under Section 13 can be incurred by such a person, however, where such a proportion does not exceed one-tenth of the gain.

Any individual shareholder domiciled or deemed to be domiciled in the UK for UK tax purposes may be liable to UK inheritance tax on their Shares in the event of death or on making certain categories of lifetime transfer.

Stamp Duty and Stamp Duty Reserve Tax

Liability to UK Stamp Duty will not arise provided that any instrument in writing, transferring Shares in the Company, or shares acquired by the Company, is executed and retained at all times outside the UK. However, the Company may be liable to transfer taxes in the UK on acquisitions and disposals of investments. In the UK, stamp duty or stamp duty reserve tax at a rate of 0.5% will be payable by the Company on the acquisition of shares in companies that are either incorporated in the UK or that maintain a share register there.

Because the Company is not incorporated in the UK and the register of shareholders will be kept outside the UK, no liability to stamp duty reserve tax will arise by the reason of the transfer, subscription for and or redemption of shares except as stated above.

Shareholders should note that other aspects of United Kingdom taxation legislation may also be relevant to their investment in the Company.

Indian Taxation

The discussion of Indian tax matters contained herein is based on existing law, including the provisions of the Indian Income Tax Act, 1961 ("Income Tax Act") and the provisions of the Double Tax Avoidance Agreement between India and Ireland ("India – Ireland tax treaty"). The Income Tax Act is amended every year by the Indian Finance Act of the relevant year, and this summary reflects changes through the date hereof. No assurance can be given that future legislation, administrative rulings or court decisions will not significantly modify the conclusions set forth in this summary, possibly with retroactive effect. Additionally, the discussion of Indian tax matters contained herein does not address the tax consequences to investors arising from the acquisition, holding or disposition of interests in their respective local jurisdictions.

The following discussion of existing Indian tax law and the application of the Tax Treaties does not address the potential application of the proposed Direct Taxes Code ("DTC") which is proposed to replace the existing Income Tax Act and based on news reports, is likely to come into effect from 1 April 2013. Several provisions in the DTC, if enacted, could adversely affect taxability of the Company and the investors in the Company. The key provisions of the DTC are described below in "The Direct Taxes Code, 2010".

General

The Company is an open-ended investment company with variable capital incorporated with limited liability in Ireland and established as an Undertaking for Collective Investment in Transferable Securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011). The investment objective of the Company is to invest primarily in Indian fixed income securities ("debt securities"). It is expected that the Company would

hold valid Tax Residency Certificate ('TRC') issued by Irish Revenue Authorities containing such particulars as may be prescribed by the Indian tax authorities.

Residency in India

Residents of India are subject to taxation in India on their worldwide income. A corporate entity will be treated as resident in India if it is incorporated in India or its "control and management" is wholly in India.

The Directors of the Company control the affairs of the Company and are responsible for the formulation of investment policy. The Company has appointed UTI International (Singapore) Private Limited, a company incorporated in Singapore as its investment manager with discretionary powers to manage assets and investments of the Company, subject to overall supervision and control of the Directors. It is expected that the Company will be wholly managed and controlled from outside India and hence will not be treated as resident in India.

Accrual / Receipt of Income

The Company will be subject to taxation in India if (a) receives, or is deemed to receive, income in India, (b) the income accrues or arises in India or (c) the income is deemed to accrue or arise in India. Income is deemed to accrue or arise in India if it accrues or arises, whether directly or indirectly (i) through or from any "business connection" in India, (ii) through or from any property in India, (iii) through or from any asset or source of income in India or (iv) through the transfer of a capital asset situated in India.

Tax Treaty Regime

The Income Tax Act contains a specific enabling provision which provides that where a non-resident is a tax resident of a country with which India has a tax treaty, the provisions of the treaty or the provisions of the domestic law, whichever are more beneficial to the taxpayer would apply. Therefore, the provisions of the India – Ireland tax treaty ought to apply to the Company to the extent they are more beneficial to the Company. No assurance can however be provided that the Indian tax authorities will not challenge the eligibility of the Company for benefits of the India – Ireland tax treaty.

The Central Board of Direct Taxes ("CBDT") has issued a Circular No 789 dated April 13, 2000 which provides that a TRC issued by the tax authorities of Mauritius would be regarded as conclusive evidence regarding residential status and beneficial ownership of Mauritius entities for applicability of the tax treaty between India and Mauritius. The validity of this circular has been upheld by the Indian Supreme Court in the case of Union of India v Azadi Andolan (263 ITR 706). While the decision is specific to the tax treaty between India and Mauritius, the same may be applied in the case of the tax treaty between India and Ireland. If the Company holds TRC from the Irish Revenue Authorities containing such particulars as may be prescribed by the Indian tax authorities and if its place of effective management and control is in Ireland, it is expected that the benefit of the India – Ireland tax treaty would be available to the Company in respect of its Indian investments. However, no assurances can be provided that the Indian tax authorities would not challenge the treaty claim of the

Company and seek to assert that the Company is not effectively managed and controlled from Ireland.

Characterisation of Income:

Traditionally, the issue of characterization of income on transfer of securities (whether taxable as 'Business Income' or 'Capital Gains') has been the subject matter of litigation with the tax authorities.

However, recent advance ruling in the context of FII suggests that FIIs are only allowed to undertake portfolio investment activities in India and hence their income is necessarily to be characterised as 'capital gains'. Historically also most of the FIIs have offered to tax their income from transfer of securities in India as 'Capital Gains'.

Another issue with respect to characterisation is on whether income arising from cancellation of foreign exchange forward contracts undertaken for hedging investment in Indian debt securities is taxable as 'Capital Gains' or as 'Income from other sources'. It has been the subject matter of litigation with the tax authorities. A recent ruling by a Tribunal in respect of a FII has held such income is to be characterised as 'Capital Gains' on the basis that underlying securities are held as capital assets.

The Company is expected to earn the following streams of income from investment in debt securities in India:

1. Capital gains on transfer of debt securities in India
2. Interest income from investment in debt securities in India
3. Income from cancellation of foreign exchange forward contracts

Taxability of Income under the India – Ireland tax treaty:

In case income of the Company is characterised as 'capital gains', the Company will not be subject to tax in India on income arising from transfer of debt securities in India, unless it is treated as a resident of India as well as Ireland and unless it is considered to have the place of effective management in India.

In case income of the Company is characterized as 'business income', it will not be taxable in India, unless it has a permanent establishment in India. Certain factors that may result in the Company being considered as conducting business through a permanent establishment in India include the maintenance by the Company of a branch or an office or a place of management in India, the physical presence of the Company's employees or directors in India (beyond a prescribed time period) and the existence of dependent agents in India with authority to conclude contracts in India on behalf of the Company. Although the Company is expected to operate in a manner that will not cause it to be treated as having a permanent establishment in India, there can be no assurances made in this regard.

If the Company does not have a permanent establishment in India, then the capital gains earned on transfer of debt securities in India by the Company would not be taxed in India by virtue of Article 13

of the India – Ireland tax treaty and the interest income earned by the Company from investment in debt securities in India would be subject to tax at 10% in terms of Article 11 the India – Ireland tax treaty provided the Company is ‘beneficial owner’ of such interest income.

Income arising to the Company on cancellation of foreign exchange forward contracts characterised as ‘Income from other sources’, would not be subject to tax in India by virtue of Article 22 of the India-Ireland tax treaty.

General Anti-Avoidance Rules (“GAAR”) in Finance Act 2012

The GAAR provisions introduced by the Finance Act, 2012 will be effective from 1 April 2013.

GAAR would empower the Indian tax authorities to declare an arrangement as impermissible avoidance arrangement if, inter alia, it was entered into for the primary purpose of obtaining a tax benefit and it lacks commercial substance, or does not have a bonafide purpose. The onus to prove that the main purpose of an arrangement was not to obtain any tax benefit is on the Indian tax authorities. The law requires guidelines to be framed by the CBDT to implement GAAR provisions.

The Committee set-up by CBDT in April 2012 to frame guidelines for GAAR issued draft guidelines for public comments on June 28, 2012. Subsequently, a new committee was set-up by the Government to re-work GAAR guidelines based on comments from various stakeholders. It is expected that this committee will release the revised draft guidelines by end of August 2012. Thereafter, final guidelines on GAAR are expected to be prescribed by the tax authorities by September 30, 2012.

In view of the above and depending on how the final GAAR guidelines are worded by the CBDT, it is uncertain whether GAAR would be invoked in the Company’s case and India-Ireland tax treaty benefits would be granted to the Company.

Taxability of Income under the Income Tax Act:

Where the benefits under the India – Ireland tax treaty are denied for any of the reason, the provisions of the Income Tax Act would apply in such case. The Income Tax Act provides that the income of FII’s and their sub-accounts is taxable as per the provisions of Section 115AD of the Income Tax Act. Depending upon the period of holding of debt securities as mentioned below, gains would be taxable as short-term or long-term capital gains.

Nature of Asset	Short-term capital asset	Long-term capital asset
For assets being shares in a company or any other security listed in a recognised stock exchange in India or a unit of the Unit Trust of India or a unit of a Mutual fund or zero coupon bonds	Held for not more than 12 months	Held for more than 12 months
For assets other than those specified above	Held for not more than 36 months	Held for more than 36 months

Tax implications on each stream of income is discussed as under:

It is pertinent to note here that the tax rates mentioned below are inclusive of surcharge and education cess. The applicable rate of surcharge in the case of foreign companies is 2%, where the income exceeds INR 10 million and further education cess at 2% and higher education cess at 1% are leviable (education cess and higher education cess are leviable irrespective of the level of income).

Capital Gains:

- Income received in respect of long-term capital gains arising from the transfer of debt securities would be subject to tax at the rate of 10.506%
- Income received in respect of short-term capital gains arising from the transfer of debt securities would be subject to tax at the rate of 31.518%
- In general, losses arising from a transfer of a capital asset in India can only be set off against capital gains and not against any other income. To the extent that the losses are not absorbed in the year of transfer, they may be carried forward for a period of eight assessment years immediately succeeding the assessment year for which the loss was first computed and may be set off against the capital gains assessable for such subsequent assessment years. However, a long-term capital loss can be set off only against a long-term capital gain. In order to make use of capital losses in this manner, the FII or sub-account must file appropriate and timely tax returns in India and undergo certain assessment procedures.

Interest Income:

- Interest income earned from investment in debt securities would be subject to tax at the rate of 21.012%.

Business Income:

- If income of the FIIs and sub-accounts is characterised as 'business income', then the net income attributable to Indian operations would be subject to tax in India at the rate of 42.024%.

Income from other sources:

- Income of the FIIs and sub-accounts arising from cancellation of foreign exchange forward contracts characterised as 'Income from other sources' would be subject to tax in India at the rate of 42.024%.

Minimum Alternate Tax (MAT):

As per the Income Tax Act, if the tax payable by any company (including a foreign company) is less than 18.5% of its book profits, it shall be liable to pay MAT at the effective rate of 19.44% of such book profit. It is unclear whether a foreign company, which is entitled to a tax treaty, would be subject to provisions of MAT. However, the Indian revenue authorities have so far not levied MAT on foreign companies which qualify for tax treaty benefit under similar circumstances.

Deduction of tax at source:

The income of FIIs and their sub-accounts from securities is subject to a tax deduction at source. However, no deduction may be made on any capital gains income of FIIs and their sub-accounts arising from the transfer of securities.

Securities Transaction Tax ('STT'):

All transactions in equity shares, equity oriented mutual fund and futures and options entered on a recognised stock exchange in India will be subject to Securities Transaction Tax ('STT'), which is levied on value of transaction. No STT is levied on transactions in debt securities in India.

Other taxes:

Stamp duty:

Any purchase/sale of securities (being Equity Shares/Debentures of Indian companies) through a stock broker on Indian Stock Exchange will attract stamp duty. The stamp duty is levied on the contract note issued by the broker. The actual duty rates are based on the relevant Indian State law where the Stock Exchange is situated and the type of security purchased/sold.

Service tax:

Brokerage or commission fees paid to stockbrokers in connection with the sale or purchase of securities are subject to an Indian service tax of 12.36% (including education cess of 3%). A stockbroker is responsible for collecting this tax and for paying it to the relevant authority.

Taxation of the Investors:

As per the provisions of the Income Tax Act, income arising from a transaction entered into outside India between two non-residents should not be taxable in India unless the income could be regarded as arising from a business connection in India or from any asset or source of income in India or through the transfer of a capital asset situated in India, or if received or deemed to be received in India. Finance Act 2012 has incorporated clarificatory amendments to tax indirect transfer of capital assets retrospectively from 1 April 1962 by proposing to levy capital gains tax on income arising from the transfer of shares or interest in a company or entity registered or incorporated outside India, if the share or interest derives, directly or indirectly, its value substantially from the assets located in India. The Finance Act 2012 has further inserted an explanation retrospectively from 1 April 1962, in the withholding tax provisions relating to payments made to non residents. It clarifies that the obligation to deduct tax applies to non residents as well, irrespective of whether the non residents have a presence in India or not.

It is however not clear whether such provisions to tax offshore transfers are intended to be applied to the investors in case of portfolio investments made by FIIs. Such a provision if applied to non-resident investors of the Company, could result in tax liability on investors in respect of transfer/redemption of shares in the Company and a withholding tax obligation on the Company is likely to arise in respect of such transfers. Representations are being made by various forums and its likely that CBDT would issue a clarification that these provisions will not apply to portfolio investments.

The Direct Taxes Code Bill, 2010 ("DTC")

The DTC is currently tabled before the lower house of the Indian Parliament. If enacted is likely to replace the existing Income Tax Act effective April 1, 2013. The DTC proposes several changes in the tax regime and administration thereof. It may be noted that the final DTC may contain provisions which may be different from the current DTC. Some of the key changes proposed in the DTC are as follows:

- (a) GAAR provisions introduced in DTC are on similar lines to that of introduced in the Finance Act 2012. The same would empower the Indian tax authorities to declare an arrangement as impermissible avoidance arrangement if, inter alia, it was entered into for the primary purpose of obtaining a tax benefit and it lacks commercial substance, or does not have a bona fide purpose. The CBDT is expected to issue guidelines and prescribe the manner in which the GAAR provisions may be invoked. Depending on such guidance, the GAAR provisions may override the provisions of a tax treaty.
- (b) The DTC would make it mandatory to obtain a TRC before any relief could be claimed under any Tax Treaty. Further, such TRC would need to be obtained in a "prescribed form" which has yet to be specified by the Indian tax authorities. Similar provision has already been incorporated in Finance Act 2012.
- (c) The Company may be considered to be resident in India if its place of effective management is in India at any time in the year. "Place of effective management" is defined in the DTC as (i) the place where the board of directors of the company or its executive directors, as the case may be, make their decisions; or (ii) in the case of a board of directors that routinely approves the commercial and strategic decisions made by the executive directors or officers of the company, the place where such executive directors or officers perform their functions. If the Company qualifies as a resident of India on account of its place of effective management in India, such foreign corporation would be taxable at the rate of 30%.
- (d) The DTC has widened the taxable income concept to include gain from a transfer of a capital asset situated in India. The DTC provides that income arising from the transfer of any share or interest in a foreign company outside India, shall be taxable in India if at any time during the 12 months preceding the transfer, the fair market value ("FMV") of the assets in India, owned directly or indirectly by the company, represents at least 50% of the FMV of all the assets owned by the company. The capital gains proportionate to the FMV of the assets in India would be taxable in India. Finance Act 2012 has already incorporated the provision of indirect transfer.
- (e) Long-term capital gains on the sale of securities on which STT is not paid would be taxable at 30%, where the benefit of the tax treaty is not available. Benefit of cost inflation indexation would be available to FIIs and sub-accounts in computing such long-term capital gains.
- (f) Income from cancellation of foreign exchange forward contracts if characterized as 'Income from residuary sources' would be taxable at 30%.
- (g) Relief from withholding tax obligation on capital gains earned would be available only in case of 'listed' securities.

- (h) Minimum Alternative Tax would be calculated on book-profits at the rate of 20%.
- (i) Capital losses allowed to set-off against any 'capital gains', irrespective of their nature whether long-term or short-term.

6. GENERAL INFORMATION

1. Incorporation, Registered Office and Share Capital

- (a) The Company was incorporated in Ireland on 2 August, 2012 as an investment company with variable capital with limited liability under registration number 516063. The Company has no subsidiaries.
- (b) The registered office of the Company is set out in the directory.
- (c) Clause 3 of the Articles of Association of the Company provides that the Company's sole object is the collective investment in transferable securities and/or other liquid financial assets referred to in Regulation 68 of the UCITS Regulations of capital raised from the public and the Company operates on the principal of risk spreading in accordance with the UCITS Regulations.
- (d) The authorised share capital of the Company is 300,000 redeemable non-participating shares of no par value and 500,000,000,000 participating Shares of no par value. Non-participating Shares do not entitle the holders thereof to any dividend and on a winding up entitle the holders thereof to receive the amount paid up thereon but do not otherwise entitle them to participate in the assets of the Company. The Directors have the power to allot shares up to the authorised share capital of the Company. There are 300,000 non-participating shares currently in issue two of which were taken by the subscribers to the Company and transferred to the Investment Manager and the remainder of which are held by the Company.
- (e) No share capital of the Company has been put under option nor has any share capital been agreed (conditionally or unconditionally) to be put under option.

2. Variation of Share Rights and Pre-Emption Rights

- (a) The rights attaching to the Shares issued in any Class may, whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the Shareholders of three-quarters of the issued Shares of that Class, or with the sanction of an ordinary resolution passed at a general meeting of the Shareholders of that Class.
- (b) A resolution in writing signed by all the Shareholders and holders of non-participating shares for the time being entitled to attend and vote on such resolution at a general meeting of the Company shall be as valid and effective for all purposes as if the resolution had been passed at a general meeting of the Company duly convened and held and if described as a special resolution shall be deemed to be a special resolution.
- (c) The rights attaching to the Shares shall not be deemed to be varied by the creation, allotment or issue of any further Shares ranking pari passu with Shares already in issue.
- (d) There are no rights of pre-emption upon the issue of Shares in the Company.

3. Voting Rights

The following rules relating to voting rights apply:-

- (a) Fractions of Shares do not carry voting rights.
- (b) Every Shareholder or holder of non-participating shares present in person or by proxy who votes on a show of hands shall be entitled to one vote.
- (c) The chairman of a general meeting of a Class or any Shareholder of a Class present in person or by proxy at a meeting of a Class may demand a poll. The chairman of a general meeting of the Company or at least three members present in person or by proxy or any Shareholder or Shareholders present in person or by proxy representing at least one tenth of the Shares in issue having the right to vote at such meeting may demand a poll.
- (d) 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 holder of non-participating shares shall be entitled to one vote in respect of all non-participating shares held by him. A Shareholder entitled to more than one vote need not cast all his votes or cast all the votes he uses in the same way.
- (e) In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote.
- (f) Any person (whether a Shareholder or not) may be appointed to act as a proxy; a Shareholder may appoint more than one proxy to attend on the same occasion.
- (g) Any instrument appointing a proxy must be deposited at the registered office, not less than 48 hours before the meeting or at such other place and by such time as is specified in the notice convening the meeting. The Directors may at the expense of the Company send by post or otherwise to the Shareholders instruments of proxy (with or without prepaid postage for their return) and may either leave blank the appointment of the proxy or nominate one or more of the Directors or any other person to act as proxy.
- (h) To be passed, ordinary resolutions of the Company or of the Shareholders a Class will require a simple majority of the votes cast by the Shareholders voting in person or by proxy at the meeting at which the resolution is proposed. Special resolutions of the Company or of the Shareholders of a Class will require a majority of not less than 75% of the Shareholders present in person or by proxy and voting in general meeting in order to pass a special resolution including a resolution to amend the Articles of Association.

4. Meetings

- (a) The Directors may convene extraordinary general meetings of the Company at any time. The Directors shall convene an annual general meeting within six months of the end of each Accounting Period.

- (b) Not less than twenty one days notice of every annual general meeting and any meeting convened for the passing of a special resolution must be given to Shareholders and fourteen days' notice must be given in the case of any other general meeting.
- (c) Two Members present either in person or by proxy shall be a quorum for a general meeting provided that the quorum for a general meeting convened to consider any alteration to the Class rights of Shares shall be two Shareholders holding or representing by proxy at least one third of the issued Shares of the Company or Class. If within half an hour after the time appointed for a meeting a quorum is not present the meeting, if convened on the requisition of or by Shareholders, shall be dissolved. In any other case it shall stand adjourned to the same time, day and place in the next week or to such other day and at such other time and place as the Directors may determine and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the Members present shall be a quorum and in the case of a meeting of a Class convened to consider the variation of rights of Shareholders in such Class the quorum shall be one Shareholder holding Shares of the Class or his proxy. All general meetings will be held in Ireland.
- (d) The foregoing provisions with respect to the convening and conduct of meetings shall, save as otherwise specified, apply with respect to meetings of Classes and, subject to the Act, have effect with respect to separate meetings of such Class at which a resolution varying the rights of Shareholders in such Class is tabled.

5. Reports and Accounts

The Company will prepare an annual report and audited accounts as of 31 October in each year and a half-yearly report and unaudited accounts as of 30 April in each year. The first annual audited accounts will be prepared for the period from launch to 31 October 2013. The first unaudited half-yearly accounts will be prepared for the period from launch to 30 April 2013. The annual audited report and accounts of the Company will be sent to the Central Bank and if a Class is listed, the Irish Stock Exchange within 4 months of the end of the relevant financial period. The half-yearly unaudited report and accounts will be sent to the Central Bank and if a class is listed, to the Irish Stock Exchange within 2 months of the end of the half year period to which they relate.

Copies of the annual audited and half-yearly unaudited accounts of the Company will be made available to Shareholders in soft copy from the office of the Administrator, upon request.

6. Communication and Notices to Shareholders

Communications and Notices to Shareholders or the first named of joint Shareholders shall be deemed to have been duly given as follows:

MEANS OF DISPATCH

DEEMED RECEIVED

Delivery by Hand : The day of delivery or next following working day if delivered outside usual business hours.

Post	:	48 hours after posting.
Facsimile	:	The day on which a positive transmission receipt is received.
Electronically	:	The day on which the electronic transmission has been sent to the electronic information system designated by a Shareholder.
Publication of Notice or	:	The day of publication in a daily newspaper.
Advertisement of Notice	:	circulating in the country or countries where shares are marketed.

7. Transfer of Shares

- (a) Transfers of Shares may be effected in writing in any usual or common form, signed by or on behalf of the transferor and every transfer shall state the full name and address of the transferor and transferee.

The Directors may decline to register any transfer of Shares if:-

- (i) in consequence of such transfer the transferor or the transferee would hold a number of Shares less than the Minimum Holding;
 - (ii) all applicable taxes and/or stamp duties have not been paid in respect of the instrument of transfer;
 - (iii) the instrument of transfer is not deposited at the registered office of the Company or such other place as the Directors may reasonably require, accompanied by the certificate for the Shares to which it relates, such evidence as the Directors may reasonably require to show the right of the transferor to make the transfer, such relevant information and declarations as the Directors may reasonably require from the transferee including, without limitation, information and declarations of the type which may be requested from an applicant for Shares in the Company and such fee as may from time to time be specified by the Directors for the registration of any instrument of transfer; or
 - (iv) they are aware or reasonably believe the transfer would result in the beneficial ownership of such Shares by a person in contravention of any restrictions on ownership imposed by the Directors or might result in legal, regulatory, pecuniary, taxation or material administrative disadvantage to the relevant Class or Shareholders generally.
- (b) The registration of transfers may be suspended for such periods as the Directors may determine provided always that each registration may not be suspended for more than 30 days.

8. Directors

The following is a summary of the principal provisions in the Articles of Association relating to the Directors:

- (a) Unless otherwise determined by an ordinary resolution of the Company in general meeting, the number of Directors shall not be less than two nor more than nine.
- (b) A Director need not be a Shareholder.
- (c) The Articles of Association contain no provisions requiring Directors to retire on attaining a particular age or to retire on rotation.
- (d) A Director may vote and be counted in the quorum at a meeting to consider the appointment or the fixing or variation of the terms of appointment of any Director to any office or employment with the Company or any company in which the Company is interested, but a Director may not vote or be counted in the quorum on a resolution concerning his own appointment.
- (e) The Directors of the Company for the time being are entitled to such remuneration as may be determined by the Directors and disclosed in the Prospectus and 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 and may be entitled to additional remuneration if called upon to perform any special or extra services to or at the request of the Company.
- (f) A Director may hold any other office or place of profit under the Company, other than the office of Auditor, in conjunction with his office of Director on such terms as to tenure of office or otherwise as the Directors may determine.
- (g) No Director shall be disqualified by his office from contracting with the Company as vendor, purchaser or otherwise, nor shall any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested be liable to be avoided, nor shall any Director who is so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established, but the nature of his interest must be declared by him at the meeting of the Directors at which the proposal to enter into the contract or agreement is first considered or, if the Director in question was not at the date of that meeting interested in the proposed contract or arrangement, at the next Directors' meeting held after he becomes so interested. A general notice in writing given to the Directors by any Director to the effect that he is a member of any specified company or firm and is to be regarded as interested in any contract or arrangement which may thereafter be made with that company or firm is deemed to be a sufficient declaration of interest in relation to any contract or arrangement so made.

- (h) A Director may not vote in respect of any resolution or any contract or arrangement or any proposal whatsoever in which he has any material interest or a duty which conflicts with the interests of the Company and shall not be counted in the quorum at a meeting in relation to any resolution upon which he is debarred from voting unless the Directors resolve otherwise. However, a Director may vote and be counted in quorum in respect of any proposal concerning any other company in which he is interested directly or indirectly, whether as an officer or shareholder or otherwise, provided that he is not the holder of or beneficially interested in 5 per cent or more of the issued shares of any class of such company, or any third company through which his interest is derived, or of the voting rights available to members of such company. A Director may also vote in respect of any proposal concerning an offer of Shares or debentures or other securities in which he is interested as a participant in an underwriting or sub-underwriting arrangement and may also vote in respect of the giving of any security, guarantee or indemnity to him in respect of money lent by the Director to the Company or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiaries or associated companies or in respect of the giving of any security, guarantee or indemnity to a third party in respect of a debt or obligation of the Company for which the Director has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security.
- (i) The office of a Director shall be vacated in any of the following events namely:-
- (a) if he resigns his office by notice in writing signed by him and left at the registered office of the Company;
 - (b) if he becomes bankrupt or makes any arrangement or composition with his creditors generally;
 - (c) if he becomes of unsound mind;
 - (d) if he is absent from meetings of the Directors for six successive months without leave expressed by a resolution of the Directors and the Directors resolve that his office be vacated;
 - (e) if he ceases to be a Director by virtue of, or becomes prohibited or restricted from being a Director by reason of, an order made under the provisions of any law or enactment;
 - (f) if he is requested by a majority of the other Directors (not being less than two in number) to vacate office; or
 - (g) if he is removed from office by ordinary resolution of the Company.

9. Directors' Interests

- (a) None of the Directors has or has had any direct interest in the promotion of the Company or in any transaction effected by the Company which is unusual in its nature or conditions or is

significant to the business of the Company up to the date of this Prospectus or in any contracts or arrangements of the Company subsisting at the date hereof other than:

Mr. Praveen Jagwani is employed by UTI International (Singapore) Private Limited which acts as both Promoter and Investment Manager of the Company.

Mr. Simon McDowell is employed by Bridge Consulting Limited which provides governance services to the Company to assist in the carrying out of the governance functions.

- (b) No present Director or any connected person has any interests beneficial or non-beneficial in the share capital of the Company.
- (c) None of the Directors has a service contract with the Company nor are any such service contracts proposed.
- (d) The Directors may hold Shares in the Company from time to time.

10. Winding Up

- (a) The Company may be wound up if:
 - (i) at any time after the first anniversary of the incorporation of the Company, the Net Asset Value of the Company falls below EUR 10,000,000 on each Dealing Day for a period of six consecutive weeks and the Shareholders resolve by ordinary resolution to wind up the Company;
 - (ii) The Shareholders resolve by ordinary resolution that the Company by reason of its liabilities cannot continue its business and that it be wound up;
 - (iii) The Shareholders resolve by special resolution to wind up the Company;
 - (iv) If within a period of ninety days from the date on which (a) the Custodian notifies the Company of its desire to retire in accordance with the terms of the Custodian Agreement and has not withdrawn notice of its intention to so retire; (b) the appointment of the Custodian is terminated by the Company in accordance with the terms of the Custodian Agreement, or (c) the Custodian ceases to be approved by the Central Bank to act as a custodian, no new Custodian has been appointed, the Secretary at the request of the Directors or the Custodian shall forthwith convene an extraordinary general meeting of the Company at which there shall be proposed a Special Resolution to redeem all of the Shares in issue or appoint a liquidator to wind up the Company;
 - (v) When it becomes illegal or in the opinion of the Directors impracticable or inadvisable to continue operating the Company.
- (b) In the event of a winding up, the liquidator shall firstly apply the assets of the Company in satisfaction of creditors' claims in such manner and order as he thinks fit.

- (c) The assets available for distribution shall be applied as follows:-
- (i) firstly in the payment to the Shareholders of each Class a sum as nearly as possible equal to the Net Asset Value of the Shares held by such Shareholders as at the date of commencement of winding up;
 - (ii) secondly, in the payment to the holders of non-participating shares of sums up to the nominal amount paid thereof provided that if there are insufficient assets to enable such payment in full to be made, no recourse shall be had to the the Company; and
 - (iii) thirdly, in the payment to the Shareholders of each Class of any balance then remaining in the Company, in proportion to the number of Shares held in the relevant Class.
- (d) The liquidator may, with the authority of a Special Resolution of the Company, divide among the Shareholders (pro rata to the value of their respective shareholdings in the Company) in specie the whole or any part of the assets of the Company and whether or not the assets shall consist of property of a single kind provided that any Shareholder shall be entitled to request the sale of any asset or assets proposed to be so distributed and the distribution to such Shareholder of the cash proceeds of such sale. The costs of any such sale shall be borne by the relevant Shareholder. The liquidator may, with like authority, vest any part of the assets in trustees upon such trusts for the benefit of Shareholders as the liquidator shall think fit and the liquidation of the Company may be closed and the Company dissolved, but so that no Shareholder shall be compelled to accept any asset in respect of which there is any liability. Further the liquidator may with like authority transfer the whole or part of the assets of the Company to a company or collective investment scheme (the "Transferee Company") on terms that Shareholders in the Company shall receive from the Transferee Company shares or units in the Transferee Company of equivalent value to their shareholdings in the Company.
- (e) Notwithstanding any other provision contained in the Articles of Association of the Company, should the Directors at any time and in their absolute discretion resolve that it would be in the best interests of the Shareholders to wind up the Company, the Secretary shall forthwith at the Directors' request convene an extraordinary general meeting of the Company at which there shall be presented a proposal to appoint a liquidator to wind up the Company and if so appointed, the liquidator shall distribute the assets of the Company in accordance with the Articles of Association of the Company.

11. Indemnities

The Directors (including alternates), Secretary and other officers of the Company and its former directors and officers shall be indemnified by the Company against losses and expenses to which any such person may become liable by reason of any contract entered into or any act or thing done by him as such officer in the discharge of his duties (other than in the case of fraud, negligence or wilful default). The Company acting through the Directors is empowered under the Articles of Association to purchase and maintain for the benefit of persons who are or were at any time Directors or officers of

the Company insurance against any liability incurred by such persons in respect of any act or omission in the execution of their duties or exercise of their powers.

12. General

- (a) As at the date of this Prospectus, the Company has no loan capital (including term loans) outstanding or created but unissued nor any mortgages, charges, debentures or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts, liabilities under acceptances (other than normal trade bills), acceptance credits, finance leases, hire purchase commitments, guarantees, other commitments or contingent liabilities.
- (b) No share or loan capital of the Company is subject to an option or is agreed, conditionally or unconditionally, to be made the subject of an option.
- (c) The Company does not have, nor has it had since incorporation, any employees.
- (d) The Company does not intend to purchase or acquire nor agree to purchase or acquire any property.
- (e) The rights conferred on Shareholders by virtue of their shareholdings are governed by the Articles of Association, the general law of Ireland and the Act.
- (f) The Company is not engaged in any litigation or arbitration and no litigation or claim is known by the Directors to be pending or threatened against the Company.
- (g) The Company has no subsidiaries.
- (h) Dividends which remain unclaimed for six years as from the date on which they become payable will be forfeited. On forfeiture such dividends will become part of the assets of the Company. No dividend or other amount payable to any Shareholder shall bear interest against the Company.
- (i) No person has any preferential right to subscribe for any authorised but unissued capital of the Company.

13. Material Contracts

The following contracts which are or may be material have been entered into otherwise than in the ordinary course of business:-

- (a) *Investment Management Agreement* between the Company and the Investment Manager dated 11th October, 2012 under which the Investment Manager was appointed as investment manager of the Company's assets subject to the overall supervision of the Directors. The Investment Management Agreement may be terminated by either party on 90 days written notice or forthwith by notice in writing in certain circumstances such as the insolvency of either party or unremedied breach after notice. The Investment Manager has the power to delegate its duties in accordance with the requirements of the Central Bank. The Agreement

provides that the Company shall indemnify the Investment Manager and hold it harmless against all or any damages, liabilities, actions, proceedings, claims, costs and expenses which may be brought against, suffered or incurred by the Investment Manager by reason of the performance or non-performance of its duties other than in the circumstances set out in the Investment Management Agreement pursuant to which the Investment Manager will be required to indemnify the Company.

- (b) *Administration Agreement* between the Company and the Administrator dated 11th October, 2012 under which the latter was appointed as Administrator to administer the affairs of the Company on behalf of the Company, subject to the terms and conditions of the Administration Agreement and subject to the overall supervision of the Directors. The Administration Agreement may be terminated by either party on 90 days prior written notice or forthwith by either party by giving notice in writing to the other party in certain circumstances such as the insolvency of either party or unremedied material breach after notice. The Company shall hold harmless and indemnify out of the assets of the Company, the Administrator on its own behalf of its permitted delegates, servants and agents against all actions, proceedings and claims (including claims of any person purporting to be the beneficial owner of any part of the investments or shares) and against all costs, demands and expenses (including legal and professional expenses) arising therefrom which may be made or brought against, suffered or incurred by the Administrator, its delegates, servants or agents in the performance or non-performance of its obligations and duties under the Administration Agreement and from and against all taxes on profits or gains of the Company which may be assessed upon or become payable by the Administrator or its permitted delegates, servants or agents provided that such indemnity shall not be given where the Administrator its delegates, servants or agents is or are guilty of negligence, fraud, bad faith, recklessness or wilful default in the performance or non-performance of its duties under the Administration Agreement.
- (c) *Custodian Agreement* between the Company and the Custodian dated 11th October, 2012, under which the latter was appointed as Custodian of the Company's assets, subject to the terms and conditions of the Custodian Agreement and subject to the overall supervision of the Directors. The Custodian Agreement shall continue for an initial period of six (6) months and thereafter may be terminated by either party on 90 days written notice or forthwith by either party by giving notice in writing to the other party in certain circumstances such as the insolvency of either party or unremedied material breach after notice provided that the Custodian shall continue to act as custodian until a successor custodian approved by the Central Bank is appointed by the Company or the Company's authorisation by the Central Bank is revoked. The Company agrees to hold harmless and indemnify the Custodian against all actions, proceedings and claims (including claims of any person purporting to be the beneficial owner of any part of the investments or cash) and against all costs, demands and expenses (including legal and professional expenses) arising therefrom which may be brought against, suffered or incurred by the Custodian by reason of the performance of the Custodian's duties under the terms of the Custodian Agreement save where any such actions, proceedings, claims, costs, demands or expenses arise as a result of the Custodian's unjustifiable failure to perform its obligations or its improper performance of them by the Custodian.

- (d) *Distribution Agreement* between the Company and the Distributor dated 11th October, 2012 under which the Distributor was appointed as distributor of the Company's assets subject to the overall supervision of the Directors. The Distribution Agreement may be terminated by either party on 90 days written notice or forthwith by notice in writing in certain circumstances such as the insolvency of either party or unremedied breach after notice. The Distributor has the power to delegate its duties in accordance with the requirements of the Central Bank. The Agreement provides that the Company shall indemnify the Distributor and hold it harmless against all or any damages, liabilities, actions, proceedings, claims, costs and expenses which may be brought against, suffered or incurred by the Distributor by reason of the performance or non-performance of its duties other than in the circumstances set out in the Distribution Agreement pursuant to which the Distributor will be required to indemnify the Company.

14. Documents Available for Inspection

Copies of the following documents, which are available for information only and do not form part of this document, may be inspected at the registered office of the Company in Ireland during normal business hours on any Business Day:-

- (a) The Memorandum and Articles of Association of the Company (copies may be obtained free of charge from the Administrator).
- (b) The Act and the UCITS Regulations.
- (c) The material contracts detailed above.
- (d) Once published, the latest annual and half yearly reports of the Company (copies of which may be obtained from either the Distributor or the Administrator free of charge).
- (e) A list of the directorships and partnerships which the Directors of the Company have held in the last 5 years together with an indication as to whether they are still directors or partners.

Copies of the **Prospectus and Key Investor Information Document** may also be obtained by Shareholders from the Administrator or the Distributor.

Appendix I – Permitted Investments and Investment Restrictions

1	Permitted Investments
	Investments of a UCITS are confined to:
1.1	Transferable securities and money market instruments, as prescribed in the UCITS Notices, 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 UCITS Notices, other than those dealt on a regulated market.
1.4	Units of UCITS.
1.5	Units of non-UCITS as set out in the Central Bank'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 the UCITS in certain US securities known as Rule 144A securities provided that: <ul style="list-style-type: none"> - 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 the UCITS within seven days at the price, or approximately at the price, at which they are valued by the UCITS.
2.3	A UCITS may invest no more than 10% of net assets in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.
2.4	The limit of 10% (in 2.3) is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. If a UCITS invests more than 5% of its net

assets in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the net asset value of of the UCITS. **This restriction need not be included unless it is intended to avail of this provision and reference must be made to the fact that this requires the prior approval of the Central Bank.**

2.5 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.

2.6 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.

2.7 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, other than

- a credit institution authorised in the EEA (European Union Member States, Norway, Iceland, Liechtenstein);
- a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988 (Switzerland, Canada, Japan, United States); or
- a credit institution authorised in Jersey, Guernsey, the 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 trustee/custodian.

2.8 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 a credit institution authorised in the EEA; a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988; or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.

2.9 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
- counterparty risk exposures arising from OTC derivatives transactions.

2.10 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.

<p>2.11</p> <p>2.12</p>	<p>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.</p> <p>A UCITS may invest up to 100% of net assets in different transferable securities and money market instruments issued or guaranteed by any Member State, its local authorities, non-Member States or public international body of which one or more Member States are members.</p> <p>The individual issuers must be listed in the prospectus and may be drawn from the following list: OECD Governments (provided the relevant issues are investment grade), Government of Brazil (provided the issues are of investment grade), Government of India (provided the issues are of investment grade), Government of Singapore, European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, International Monetary Fund, Euratom, The Asian Development Bank, European Central Bank, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and Development (The World Bank), The Inter American Development Bank, European Union, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie Mae), Student Loan Marketing Association (Sallie Mae), Federal Home Loan Bank, Federal Farm Credit Bank, Tennessee Valley Authority, Straight-A Funding LLC.</p> <p>The UCITS must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of net assets.</p>
<p>3</p>	<p>Investment in Collective Investment Schemes (“CIS”)</p>
<p>3.1</p> <p>3.2</p> <p>3.3</p> <p>3.4</p> <p>3.5</p>	<p>A UCITS may not invest more than 20% of net assets in any one CIS.</p> <p>Investment in non-UCITS may not, in aggregate, exceed 30% of net assets.</p> <p>The CIS are prohibited from investing more than 10 per cent of net assets in other open-ended CIS.</p> <p>When a UCITS invests in the units of other CIS that are managed, directly or by delegation, by the UCITS management company or by any other company with which the UCITS 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 the UCITS investment in the units of such other CIS.</p> <p>Where a commission (including a rebated commission) is received by the UCITS manager/investment manager/investment adviser by virtue of an investment in the units of another CIS, this commission must be paid into the property of the UCITS.</p>
<p>4</p>	<p>Index Tracking UCITS</p>
<p>4.1</p>	<p>A UCITS may invest up to 20% of net assets in shares and/or debt securities issued by the</p>

4.2	<p>same body where the investment policy of the UCITS is to replicate an index which satisfies the criteria set out in the UCITS Notices and is recognised by the Central Bank.</p> <p>The limit in 4.1 may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions.</p>
5	General Provisions
5.1	<p>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.</p>
5.2	<p>A UCITS may acquire no more than:</p> <ul style="list-style-type: none"> (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. <p>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 the securities in issue cannot be calculated.</p>
5.3	<p>5.1 and 5.2 shall not be applicable to:</p> <ul style="list-style-type: none"> (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 a UCITS in the capital of a company incorporated in a non-member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the UCITS can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits laid down in 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, paragraphs 5.5 and 5.6 below 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 units at unit-holders' request exclusively on their behalf.

5.4	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 Central Bank may allow recently authorised UCITS to derogate from the provisions of 2.3 to 2.12, 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 unitholders.
5.7	Neither an investment company, nor a management company or a trustee acting on behalf of a unit trust or a management company of a common contractual fund, may carry out uncovered sales of: <ul style="list-style-type: none"> - transferable securities; - money market instruments¹; - 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 UCITS Notices.)
6.3	UCITS may invest in FDIs dealt in over-the-counter (OTC) provided that The counterparties to over-the-counter transactions (OTCs) are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.
6.4	Investment in FDIs are subject to the conditions and limits laid down by the Central Bank

7	Restrictions on Borrowing and Lending
(a)	A UCITS may borrow up to 10% of its Net Asset Value provided such borrowing is on a

¹ Any short selling of money market instruments by UCITS is prohibited

temporary basis. A UCITS may charge its assets as security for such borrowings.

(b) A UCITS may acquire foreign currency by means of a “back to back” loan agreement. Foreign currency obtained in this manner is not classified as borrowing for the purposes of the borrowing restrictions set out at (a) above provided that the offsetting deposit:

- (i) is denominated in the base currency of the UCITS; and
- (ii) equals or exceeds the value of the foreign currency loan outstanding.

The Company will adhere to any investment or borrowing restrictions imposed by the Irish Stock Exchange for so long as the Shares in a Class are listed on the Irish Stock Exchange and any criteria necessary to obtain and/or maintain any credit rating in respect of any Shares or Class in the Company, subject to the UCITS Regulations.

It is intended that the Company shall have the power (subject to the prior approval of the Central Bank and as disclosed in an updated Prospectus) to avail itself of any change in the investment and borrowing restrictions laid down in the UCITS Regulations which would permit investment by the Company in securities, derivative instruments or in any other forms of investment in which investment is at the date of this Prospectus restricted or prohibited under the UCITS Regulations.

Appendix II - Recognised Exchanges

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

(i) any stock exchange which is:-

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

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

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

Argentina	-	Bolsa de Comercio de Buenos Aires
Argentina	-	Bolsa de Comercio de Cordoba
Argentina	-	Bolsa de Comercio de Rosario
Bahrain	-	Bahrain Stock Exchange
Bangladesh	-	Dhaka Stock Exchange
Bangladesh	-	Chittagong Stock Exchange
Bermuda	-	Bermuda Stock Exchange
Bolivia	-	Bolsa Boliviana de Valores
Botswana	-	Botswana Stock Exchange
Brazil	-	Bolsa de Valores do Rio de Janeiro
Brazil	-	Bolsa de Valores de Sao Paulo
Chile	-	Bolsa de Comercio de Santiago
Chile	-	Bolsa Electronica de Chile
China		
Peoples' Rep. of – Shanghai)	-	Shanghai Securities Exchange
China (Peoples' Rep. of – Shenzhen)	-	Shenzhen Stock Exchange

Colombia	-	Bolsa de Bogota
Colombia	-	Bolsa de Medellin
Colombia	-	Bolsa de Occidente
Costa Rica	-	Bolsa Nacional de Valores
Croatia	-	Zagreb Stock Exchange
Ecuador	-	Guayaquil Stock Exchange
Ecuador	-	Quito Stock Exchange
Egypt	-	Alexandria Stock Exchange
Egypt	-	Cairo Stock Exchange
Ghana	-	Ghana Stock Exchange
India	-	Bangalore Stock Exchange
India	-	Delhi Stock Exchange
India	-	Multi Commodity Exchange of India Ltd
India	-	Mumbai Stock Exchange
India	-	National Stock Exchange of India
Indonesia	-	Jakarta Stock Exchange
Indonesia	-	Surabaya Stock Exchange
Israel	-	Tel-Aviv Stock Exchange
Ivory Coast	-	Bourse des Valeurs d'Abidjan
Jamaica	-	Jamaican Stock Exchange
Jordan	-	Amman Financial Market
Kazakhstan (Rep. Of)	-	Central Asian Stock Exchange
Kazakhstan (Rep. Of)	-	Kazakhstan Stock Exchange
Kenya	-	Nairobi Stock Exchange
Lebanon	-	Beirut Stock Exchange
Malaysia	-	Kuala Lumpur Stock Exchange
Mauritius	-	Stock Exchange of Mauritius
Mexico	-	Bolsa Mexicana de Valores
Morocco	-	Societe de la Bourse des Valeurs de Casablanca
Namibia	-	Namibian Stock Exchange
New Zealand	-	New Zealand Stock Exchange
Nigeria	-	Nigerian Stock Exchange
Pakistan	-	Islamabad Stock Exchange
Pakistan	-	Karachi Stock Exchange
Pakistan	-	Lahore Stock Exchange
Peru	-	Bolsa de Valores de Lima
Philippines	-	Philippine Stock Exchange
Singapore	-	Singapore Stock Exchange
South Africa	-	Johannesburg Stock Exchange
South Korea	-	Korea Stock Exchange
	-	KOSDAQ Market
Sri Lanka	-	Colombo Stock Exchange
Taiwan		
(Republic of China)	-	Taiwan Stock Exchange Corporation
Thailand	-	Stock Exchange of Thailand
Tunisia	-	Bourse des Valeurs Mobilieres de Tunis

Turkey	-	Istanbul Stock Exchange
Ukraine	-	Ukrainian Stock Exchange
Uruguay	-	Bolsa de Valores de Montevideo
Venezuela	-	Caracas Stock Exchange
Venezuela	-	Maracaibo Stock Exchange
Venezuela	-	Venezuela Electronic Stock Exchange
Zimbabwe	-	Zimbabwe Stock Exchange
Zambia	-	Lusaka Stock Exchange

(iii) any of the following markets:

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

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

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

the market organised by the International Capital Market Association;

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

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

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

NASDAQ in the United States;

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

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

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

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

SESDAQ (the second tier of the Singapore Stock Exchange.)

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

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

in the United States of America, on the

- Chicago Board of Trade
- Chicago Board Options Exchange;
- Chicago Mercantile Exchange;
- Eurex US;
- New York Futures Exchange.
- New York Board of Trade;
- New York Mercantile Exchange;

in China, on the Shanghai Futures Exchange;

in Hong Kong, on the Hong Kong Futures Exchange;

in Japan, on the

- Osaka Securities Exchange;
- Tokyo International Financial Futures Exchange;
- Tokyo Stock Exchange;

in New Zealand, on the New Zealand Futures and Options Exchange;

in Singapore, on the

- Singapore International Monetary Exchange;
- Singapore Commodity Exchange.

For the purposes only of determining the value of the assets of the Company, the term “Recognised Exchange” shall be deemed to include, in relation to any derivatives contract utilised by the Company, any organised exchange or market on which such contract is regularly traded.

Appendix III – FII Regime

Foreign Investment in India

Foreign investment in India can be made through (i) foreign direct investment; or (ii) FII investment under the Portfolio Investment Scheme. The Company will invest in India using the FII investment under the Portfolio Investment Scheme and will not invest in India by means of the foreign direct investment policy referred to above.

Investment Restrictions applicable to FIIs

Under the FII regime, FIIs and sub-accounts are permitted to invest only in the following instruments:

- Securities in the primary and secondary markets including shares and warrants of companies, unlisted, listed or to be listed on a recognized stock exchange in India;
- Dated Government securities/treasury bills,
- Listed non-convertible debentures/bonds,
- Derivatives traded on a recognized stock exchange in India;
- Commercial papers issued by Indian companies;
- Security Receipts issued by Asset Reconstruction Companies (ARCs) provided the total holding by a single FII in each tranche of scheme of Security Receipts shall not exceed 10% of the issue and total holdings of all FIIs put together shall not exceed 49% of the paid up value of each tranche of scheme / issue of Security Receipts issued by the ARCs.;
- Indian Depository Receipts;
- To be listed NCDs/ bonds, only if the listing of such NCDs/bonds is committed to be done within 15 days of such investment;
- Unlisted NCDs/ bonds issued by companies in the infrastructure sector. Infrastructure sector companies are companies that are engaged in activities pertaining to (i) power, (ii) telecommunication, (iii) railways, (iv) roads including bridges, (v) sea port and airport, (vi) industrial parks, (vii) urban infrastructure (water supply, sanitation and sewage projects), (viii) mining, exploration and refining and (ix) cold storage or cold room facility, including for farm level pre-cooling, for preservation or storage of agricultural and allied produce, marine products and meat.;
- Perpetual debt instruments eligible for inclusion as Tier-I capital provided that the total holding by a single FII / sub-account in each issue of perpetual debt instruments (Tier I) shall not exceed 10% of the issue and total holdings of all FIIs / sub-account put together shall not exceed 49% of the paid up value of each issue of perpetual debt instruments. As per the RBI capital adequacy norms, a bank's regulatory capital is classified into Tier-I capital and Tier-II capital. Tier-I capital includes paid-up equity capital, statutory reserves, other disclosed free reserves, capital reserves and innovative perpetual debt instruments (Tier-I bonds) eligible for inclusion in Tier-I capital that comply with the requirements specified by RBI. Tier-II capital includes general provision and loss reserve, investment reserve, hybrid capital (upper Tier-II bonds) and subordinate debt instruments (lower Tier-II bonds) eligible for inclusion in Tier-II capital. Perpetual debt instruments are instruments which do not have any maturity, and are perpetual in nature and have to be serviced regularly by banks by paying coupons to the subscribers of such instruments. In other words, the cash flows for such instruments are

those of perpetuity. Also, since the banks are not required to redeem such instruments, such instruments are treated as equity, and not as debt. At present, perpetual debt instruments (which comply with the requirements specified by RBI) qualify and can be included in the tier-I capital of a bank; and

- Debt capital instruments as upper Tier-II capital issued by banks in India provided that such investments are within the investment limits notified by SEBI and the RBI from time to time (as discussed below) for FIIs. The Tier-II capital of a bank is divided into lower and upper tiers of capital. The upper tier consists of permanent cumulative preference shares and other undated instruments with a cumulative feature – i.e. instruments on which the bank can defer interest payments. Whereas, the lower tier consists of dated and subordinated debt instruments.

However, FIIs are not permitted to invest in equity shares issued by Asset Reconstruction Companies. FIIs are also not allowed to invest in any company which is engaged, or proposes to engage, in the following activities:

- (a) Business of chit fund;
- (b) Nidhi Company;
- (c) Agriculture or plantation activities;
- (d) Real estate business, or construction of farm houses; and
- (e) Trading in Transferable Development Rights.

In addition to the above, subject to the terms and conditions set out in the FII Regulations, and subject to any sectoral restrictions that may be applicable to FIIs under the foreign investment regime in India, a registered FII or a sub-account of a FII may buy or sell equity shares or debentures of Indian companies through stock exchanges in India at the ruling market price and also buy or sell shares or debentures of listed or unlisted companies other than on a stock exchange either through:

- (a) a public offer, where the price of the shares to be issued is not less than the price at which the shares are issued to Indian residents; or
- (b) a private placement, where the issue price should be determined as per the relevant provisions of the foreign direct investment policy.

FIIs are also permitted to issue or otherwise deal in off-shore derivative instruments issued against underlying securities, listed or proposed to be listed on any stock exchange in India subject to the satisfaction of the following conditions:

- (a) the off-shore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority; and
- (b) the off-shore derivative instruments are issued after compliance with “know your client” guidelines applicable in India and are available on the RBI website at:
<http://www.rbi.org.in/scripts/FAQView.aspx?Id=82>.

However, in terms of the FII Regulations, no sub-account of a FII is permitted to, directly or indirectly, issue off-shore derivative instruments. This means that due to the FII Regulations the Company will not be permitted to directly or indirectly issue off-shore derivative instruments.

Investment Restrictions which are relevant to Portfolio Construction which impact the Company are as follows:

- Cash accounts maintained by FIIs are non-interest bearing accounts.
- The Company may buy and sell debt securities through brokers at the prevailing market prices only.
- The Company will need to obtain prior RBI approval before buying or selling of unlisted securities which are not under the automatic route of the RBI. Foreign investors can make investments in India either through the automatic route or the approval route. As per the extant policy, FDI under the automatic route is allowed up to 100% in almost all the sectors including services sectors, except a few sectors where foreign investment is allowed only up to a notified sectoral limit. An investment falls under the automatic route if the FDI is within the limits indicated by the Government for that particular sector (expressed as a percentage of foreign shareholding in a company in the specified sector). In such cases, the foreign investor does not have to obtain any regulatory consent prior to making an investment but is required to file a declaration setting out the details of the investment with the RBI, within 30 days of making the investment. Whereas, all proposals of foreign investment which fall outside the notified sectoral caps or are related to sectors in which FDI is not permitted, require the prior approval of the Government of India - Foreign Investment Promotion Board, and are considered under the approval route.
- The Company cannot use a bank overdraft or loan in order to fund/pay for any of its payment obligations.
- FIIs are not permitted to invest in certificate of deposits.
- FIIs are not permitted to invest in the following sectors; print media, television news and current affairs sectors, unless the company has obtained prior permission from the Indian Government and the RBI.

Investments by FII's in debt instruments in India are regulated by both the SEBI and the RBI. The RBI restricts the type of fixed income securities where FII's can invest to the following: Government Securities, Treasury Bills, Commercial Paper, Corporate Bonds and Debentures and Public Sector Undertaking (PSU) Bonds. PSU Bonds are government-owned corporations, these are termed as Public Sector Undertakings (PSUs) in India. In a PSU the majority (51% or more) of the paid up share capital is held by the central government or by any state government or partly by the central governments and partly by one or more state governments. The RBI is the primary agency for the purposes of monitoring and regulating foreign investment made by FIIs or its sub-account. The RBI monitors the ceilings on FII investments in Indian companies on a daily basis, and for the purpose of facilitating such examination, the domestic custodian (through which the FII or its sub-accounts are required to make investments in India) are required to monitor the investment limits on each portfolio and submit a report to the RBI to ensure that the prescribed investment limits are not breached.

There are limits on the overall investments that all FII's can make in Indian debt instruments. SEBI and RBI issue incremental notifications, circulars and publications on www.sebi.gov.in and www.rbi.org.in in respect of these Investment Restrictions. Following the issuance of this Prospectus, Shareholders can access these updates at the above websites. Any update to these Investment Restrictions following the issuance of the Prospectus will be reflected in the revised Prospectus when

this document is next updated. Any change to the investment policy of the Company will require shareholder notification or approval as appropriate pursuant to the UCITS Notices.

Foreign investors must purchase limits or ‘quotas’ to invest in government and corporate debt (without tenor/maturity restrictions). As at August, 2012, there is a maximum cap of USD 65 billion on investments in Government securities and Corporate Debt by FIIs. Within this total cap, limits which are unutilized by FIIs are then auctioned through either the National Stock Exchange or the Bombay Stock Exchange in India on a monthly basis. There are separate limits available for investing in Government securities, corporate bonds and long term corporate/ infrastructure debt. The non-availability of such limits may pose a risk of not being able to invest in local currency bonds and hence will affect portfolio construction as the Company may have to invest in offshore, foreign-currency bonds and deposits which do not have in place such limits. If successful in the bidding for debt limits, the fee for such debt limits is paid to Securities and Exchange board of India out of the assets of the Company. In order to access the Indian debt market, the Company must have the following:

1. Sub-account registration/approval with Securities and Exchange Board of India (SEBI);
2. PAN card issued by Indian Income Tax department. The PAN card means the Permanent account number. This is a ten-digit alphanumeric number, issued in the form of a laminated card, by the Income Tax Department in India, to any “person” who applies for it or to whom the department allots the number without an application;
3. NSCCL/BSE codes for facilitating the trading in both the exchanges; and
4. Custody account with the Indian Custodian bank acting as sub-custodian to the Custodian.

Currently, the breakdown of the above mentioned limits (USD 65 billion) that govern the investments in Indian debt instruments by FII’s are as follows:

<i>Government Bonds and T-Bills</i>	<i>\$ 20 Bn</i>
<i>Corporate Bonds</i>	<i>\$ 20 Bn</i>
<i>Infrastructure Bonds</i>	<i>\$25 Bn</i>

FIIs have to bid for limits in government and corporate bonds. The limits so purchased have to be utilized to buy the relevant securities within the following time periods; 90 days for corporate debt and 45 days for Government debt. The auction price or fees paid to SEBI will be forfeited if the Company is unable to complete the purchase of its full quota.

This bidding process may lead to uncertainty on the timing and the pattern of investment and could affect performance, however, this will not affect the funding of redemptions in accordance with the redemption policy of the Company as set out under the heading “Redemption of Shares” in the main body of the Prospectus above.

Ownership restrictions applicable to FIIs

FIIs that are registered with SEBI are required to comply with the provisions of the FII Regulations. A registered FII may, subject to the pricing and ownership restrictions discussed below, buy and sell

freely securities issued by any Indian company (excluding companies engaged in the print media sector or in sectors in which foreign investment is generally prohibited), realise capital gains on investments made through the initial amount invested in India, subscribe to or renounce rights offerings for shares, and will appoint a domestic custodian for custody of investments made and repatriate the capital, capital gains, dividends, income received by way of interest and any compensation received towards sale or renunciation of rights offerings of shares. The domestic custodian will be required to take custody of the locally traded instruments and is appointed by the Custodian as a sub-custodian in the local market.

The FEMA regulations prescribe a ceiling on the amount of FII holdings in Indian companies

A FII may not hold more than 10% of the total equity capital of a company in its own name or 10% of the paid up value of each series of Convertible Debentures issued by an Indian company, FII investing on behalf of the sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of the equity capital of a company or 10% of the paid up value of each series of Convertible Debentures issued by an Indian company, foreign corporate/ individual sub-account of the FII may not hold more than 5% of the total equity capital of a company or 5% of the paid up value of each series of Convertible Debentures issued by an Indian company. The total holding of all FIIs and sub-accounts put together in a company is subject to a cap of 24 % of the total equity capital of a company or paid-up value of each series of convertible debentures, which can be increased to the relevant statutory sectoral cap/ceiling of foreign direct investment in respect of the said company with the passing of a board of directors' resolution followed by the passing of a special resolution by the shareholders of the company in a general meeting, to that effect. A special resolution is one, which has been voted favourably on by at least three-fourths of the shareholders present and voting at a general meeting of a company.

Therefore, all investments made by the Company as a SEBI registered sub-account through the Investment Manager into India will be subject to the above ceiling requirement and will be reckoned towards the 10% or 24% investment limit available to FIIs for their investments under the FII route, and the Investment Manager will need to ensure that such ceilings are not breached.

There are no restrictions on repatriation rights of FIIs, and no redemption limits have been prescribed for investments made by FIIs or its sub-accounts. Through the designated accounts, FIIs are authorised to freely transfer funds from foreign currency accounts to rupee accounts and vice versa; make rupee denominated investments in Indian companies; freely transfer after-tax proceeds from rupee accounts to foreign currency accounts, and repatriate capital, capital gains, dividends interest income and other gains, subject to deduction for applicable withholding taxes. Further, investments made by FII in debt securities are not subject to a minimum lock-in period except in the case of listed and unlisted bonds issued by companies in the infrastructure sector for which a one year lock-in period has been prescribed. FIIs can, however, trade amongst themselves but cannot sell to domestic investors during the lock-in period. Lock-in periods are prescribed by the regulator and must be adhered to by the Company. During the lock-in periods, FII's can trade among themselves, so liquidity is available, however the Investment Manager is aware of the restrictions/lock-in period and accordingly avoid investing a significant portion of the overall portfolio in such type of instruments. Redemption facilities will not be affected by such lock-in periods as only a small portion of the portfolio will be invested in such instruments and as mentioned above such instruments are tradable among

FIIIs.

However, such debt investments by FIIIs are subject to specific residual maturity restrictions such as:

- (a) for infrastructure bonds - 15 months at the time of first purchase, and
- (b) for government securities within the total overall limit of USD 20 billion - USD 10 billion can be utilised without any residual maturity restrictions, and the balance limit of USD 10 billion can be utilised only with a residual maturity of 3 years at the time of first purchase.

Additionally, there is no lock-in period for the equity investments made by FIIIs or its sub-accounts under the portfolio investment scheme. However, in case a FII or its sub-account holds equity shares in a company whose shares are not listed on any recognized stock exchange, and continues to hold the shares after the initial public offering and the listing thereof, such shares would be subject to a lock-in for the same period, if such lock-in period is applicable to the shares held by a foreign direct investor or domestic investor placed in a similar position under the foreign direct investment policy or the SEBI regulations that is currently in force.

The RBI monitors the ceilings on FII investments in Indian companies on a daily basis. For effective monitoring of foreign investment ceiling limits, the RBI has fixed cut-off points that are two percentage points lower than the actual ceilings. The cut-off point, for instance, is fixed at 22 % for companies in which FII can invest up to 24 % of the company's paid up capital.

Once the aggregate net purchases of equity shares or convertible debentures of the company by FIIIs reach the cut-off point, which is 2% below the overall limit, the RBI cautions all custodians not to purchase any more equity shares or convertible debentures of the respective company on behalf of FIIIs without prior approval of the RBI. The custodians are then required to intimate the RBI about the total number and value of equity shares or convertible debentures of the company they propose to buy on behalf of FIIIs. On receipt of such proposals, the RBI gives clearances on a first-come-first-served basis till such investments in companies reach the sectoral caps/statutory ceilings as applicable. On reaching the aggregate ceiling limit, the RBI advises all custodian to stop purchases on behalf of their FII clients. The RBI also informs the general public about the 'caution' and the 'stop purchase' in these companies through a press release.