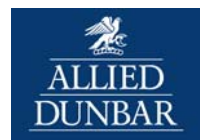


Allied Dunbar International Funds Scheme Particulars



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1 Introduction

These Scheme Particulars are prepared in accordance with the Financial Supervision (Scheme Particulars) Regulations 1988 (of the Isle of Man) and contain the information stipulated by Schedule 1 to those Regulations.

References in this document to 'Regulations' are to the Financial Supervision (Authorised Collective Investment Schemes) Regulations 2005 (of the Isle of Man).

If prospective investors are in any doubt about the contents of these Scheme Particulars they should consult their Financial Adviser.

Copies have been delivered to the Financial Supervision Commission of the Isle of Man.

Copies have also been delivered to the Financial Services Authority in the United Kingdom.

Allied Dunbar International Funds Limited

Allied Dunbar International Funds Limited ('the Company'), formerly Allied International Funds Limited, was incorporated with limited liability and with unlimited duration in the Isle of Man under the Companies Acts 1931 to 2004 (of the Isle of Man) on 24 May 1984 with registered number 24161C. Its Registered office is 43-51 Athol Street, Douglas, Isle of Man, IM99 1ET, British Isles. The constitution of the Company is set out in its Memorandum and Articles of Association and the Regulations.

The authorised share capital of the Company is USD2,500,010 being made up of 10 Management Shares of USD1.00 each and 1,000,000,000 Unclassified Shares of USD0.0025 which have been or may be allotted as Participating Redeemable Preference Shares ('Shares') of any Investment Class or as Nominal Shares. Allied Dunbar International Fund Managers Limited ('the Manager') offers Shares of USD0.0025 each in the Company at prices per Investment Class calculated as set out in these Scheme Particulars. The Management Shares have been issued at par for cash to the Manager or its nominees.

The Nominee Investment Service is offered through the Manager. Clients' shareholdings are registered in the name of the Nominee Company, Allied Dunbar International Nominees Limited ('ADIN'). ADIN is a subsidiary of the Manager.

The Company is an Authorised Scheme under Schedule 1 of the Collective Investment Schemes Act 2008 (of the Isle of Man)

The Company is an open-ended investment company and its constitution enables it to act in a similar way to an open-ended unit trust by issuing and redeeming Shares in various classes ('Investment Classes') attributable to corresponding investment funds ('Investment Funds') at prices based on the underlying property value of the fund of assets contained in each Investment fund.

The Company has been recognised by the Financial Services Authority of the United Kingdom under Section 270 of The Financial Services and Markets Act 2000 (of the United Kingdom) – the Isle of Man having been granted designated territory status by the United Kingdom for the purposes of such Act.

The Company is an Umbrella fund as defined in the Regulations.

The constituent parts of the Company are:

- Allied Dunbar International Managed Fund
- Allied Dunbar International Worldwide Equity Fund
- Allied Dunbar International North American Growth Fund
- Allied Dunbar International Far East Fund
- Allied Dunbar International Managed Currency Fund

Allied Dunbar International UK Capital Growth Fund
Allied Dunbar International Europe Fund
Allied Dunbar International Gilt and Income Fund

Each Investment Fund (except the Allied Dunbar International Managed Currency Fund which is a Money Market Fund) is an Authorised Securities Fund as defined in the Regulations.

The prices at which Shares of each Investment Class are issued and redeemed are calculated in US dollars save for the prices for Shares attributable to the Allied Dunbar International Gilt and Income Fund and the Allied Dunbar International UK Capital Growth Fund which are calculated in Sterling, and the Allied Dunbar International Europe Fund which is calculated in Euros.

The aim of the Company is to provide an attractive tax-efficient, investment medium for investors worldwide. Resident, for tax purposes, in the Isle of Man, the Company does not pay Corporation Tax on its income or capital gains. Management is provided by Allied Dunbar International Fund Managers Limited, a company also resident in the Isle of Man, details of which are given below. The investment objectives of the Company generally are to achieve long term capital growth, but this is subject to the investment policy of each Investment Fund and also to the investment restrictions set out herein.

The Directors of the Company are:

Christopher James Tunley, F.C.I.B., M.I.M. (Non-Executive Director).

Peter James Scott Hammonds, FCIS, MSc, MBA (Non-Executive Director)

Paul John David Quirk, MBA, FIA, Mr Quirk is also a Director of Allied Dunbar International Fund Managers Limited.

Linda Muirhead, MCIBS Mrs Muirhead is also a Director of Allied Dunbar International Fund Managers Limited.

Maurizio Busti, INA, Mr Busti is also a Director of Allied Dunbar International Fund Managers Limited.

The address for notices to be served on the Company in the United Kingdom and notified to the Financial Services Authority under Section 270(1)(c) of The Financial Services & Markets Act 2000 of the United Kingdom is:

The Compliance Officer
Zurich Assurance Limited
UK Life Centre
Station Road
Swindon
Wiltshire
SN1 1EL

2 Details of the Manager, the Fiduciary Custodian, the Investment Manager and the Registrar

All the Investment Funds are managed under a Management Agreement made with the Company dated 29 December 1989 by Allied Dunbar International Fund Managers Limited whose Registered Office is:

43-51 Athol Street
Douglas
Isle of Man
IM99 1ET
British Isles

The Manager is licensed by the Financial Supervision Commission of the Isle of Man to provide services to collective investment schemes. .

The Manager has agreed to manage the Company subject to the Regulations (as amended or re-enacted from time to time) and the terms of the principal constitutional documents of the Company.

The Regulations require the Manager to sell and to repurchase from investors Shares in the Company at prices calculated in accordance with the Regulations and to instruct the Company to create or cancel Shares as appropriate.

The Manager has overall responsibility for the investments comprising the property of the Company and requires the Investment Manager to comply with the investment policies and restrictions applicable to each of the sub-funds. The Manager may also permit borrowing and hedging transactions to be undertaken by the Investment Manager on behalf of the Company when appropriate.

The Manager will determine the amount of income available for distribution at the end of each accounting or interim accounting period.

The Manager may be replaced if it goes into liquidation (except voluntary liquidation or amalgamation), a receiver is appointed, the holders of three quarters of the Shares in issue resolve or require that it should do so, or the Fiduciary Custodian considers that it is in the interest of the Shareholders.

The Manager is a private limited Company incorporated with limited liability and with unlimited duration in the Isle of Man under the Companies Acts 1931-2004 on 6 April 1984, with an issued share capital of GBP250,000 divided into 250,000 fully paid Ordinary Shares of GBP1 each. The issued share capital of the Manager was increased to GBP1,000,000 fully paid Ordinary Shares of GBP1 each on 20 July 1988. The Manager is part of the Zurich Financial Services Group. The ultimate parent company, Zurich Financial Services, is incorporated in Switzerland.

The Manager is an Authorised Person for the purposes of the Collective Investment Schemes Act 2008 of the Isle of Man, holding a license granted by the Financial Supervision Commission under Section 7 of the Financial Services Act 2008 of the Isle of Man empowering it to act as Manager of an Authorised Scheme.

The Directors of the Manager are:
Paul John David Quirk, MBA, FIA.
Linda Muirhead, MCIBS.
Maurizio Busti, INA.

The Fiduciary Custodian

BNP Paribas Trust Company (IOM) Limited ('The Fiduciary Custodian') whose registered office is:
Merchants House
24 North Quay
Douglas
Isle of Man
IM1 4LE
British Isles

The Fiduciary Custodian is a private limited Company, and the principal business activity of the Fiduciary Custodian is the provision of Fiduciary Custodian services. It was incorporated in the Isle of Man on 1 May 1973 and has an authorised share capital of GBP5,000,000 of which GBP1,000,000 is fully paid.

The Fiduciary Custodian is an Authorised Person for the purposes of the Collective Investment Schemes Act 2008 of the Isle of Man holding a license granted by the Financial Supervision Commission under Section 7 of the Financial Services Act 2008 of the Isle of Man empowering it to act as Fiduciary Custodian of an Authorised Scheme.

The ultimate parent company of the Fiduciary Custodian is BNP Paribas S.A., Paris, a company incorporated in France.

The Company has entered into a Fiduciary Custodian Agreement dated 29 December 1989 whereby the Fiduciary Custodian has agreed to provide Fiduciary Custodian services to the Company in accordance with the Regulations and the funds principal constitutional documents.

The Investment Manager

Threadneedle Asset Management Limited ('The Investment Manager') whose Registered office is:

60 St Mary Axe
London
EC3A 8JQ

The principal activity of the Investment Manager is the provision of discretionary investment management services. Under an agreement dated 30 September 2003 between the Manager and the Investment Manager ('the Agreement'), the Manager appointed the Investment Manager as discretionary investment manager of property of the Funds.

The Investment Manager is a subsidiary of Threadneedle Asset Management Holdings Limited. The Investment Manager is an authorised person for the purposes of the UK Financial Services & Markets Act 2000 and is authorised to carry on investment business in the United Kingdom by:
The Financial Services Authority,
25 The North Colonnade, Canary Wharf, London E14 5HS.

The main terms of the Agreement are to:

- (i) manage the investment of the property of the funds in accordance with the investment objectives and restrictions stated within the Agreement;
- (ii) buy, sell, retain, exchange or otherwise deal in property of the Funds;
- (iii) obtain for the Manager from time to time valuations of such investments comprised in the Investment Funds as the Manager may require;
- (iv) subscribe to issues and offers for sale and accept placings, underwritings and sub-underwritings of investments;
- (v) effect transactions on any markets;
- (vi) negotiate and execute counterparty and account opening documentation;
- (vii) ensure that all transactions are effected on a best execution basis; and
- (viii) prepare material, other than accounts, for inclusion in annual or other reports of the Company whenever the Manager may reasonably require.

In carrying out its duties, the Investment Manager shall have regard to:

- (i) the primary purpose of the company's overall investment policy relating to the Investment Fund in question from time to time communicated by the Manager to the Investment Manager;
- (ii) any restrictions for the time being contained in the Memorandum and Articles of Association of the Company or under the Regulations with regard to investment or borrowing;
- (iii) the entitlement of the holders of Shares of the Company to require redemption of their Shares;
- (iv) the terms of any Exchange Control consent and any other present or future governmental consents;
- (v) the terms of any Prospectus issued by the Company;
- (vi) any other matter to which a prudent adviser to any investment portfolio should reasonably pay regard in the proper discharge of his duties.

The Investment Manager shall not be responsible for loss or damage to the documents it holds for the Company, nor for any failure to fulfill its duties caused by certain circumstances beyond the control of the Investment Manager.

The Investment Manager shall be indemnified against and exempted from liability not due to its gross negligence, willful misfeasance, default or bad faith.

The Investment Manager shall have no authority to make decisions on behalf of either the Manager or the Company, nor may the Investment Manager enter into any transaction on behalf of or in any other way to bind the Manager or the Company except where specifically instructed.

The Agreement may be terminated:

- (i) by three months' written notice to terminate from the Investment Manager, the Company or the Manager with the approval of the Company;
- (ii) There are a number of additional conditions in which the Manager could terminate the agreement immediately;
 - (a) the other commencing liquidation or receivership;
 - (b) the other (or, in the case of the Investment Manager's right to terminate, the Manager) failing to remedy a breach of its obligations within 30 days of notification of the breach;
 - (c) If the investment performance criteria agreed between the Manager and Investment Manager are breached;
 - (d) If the Investment Manager ceases to be regulated by the Financial Services Authority for all or part of its business, where such authorisation is required for the Investment Manager to continue in business as Investment Manager under its agreement with the Manager;
 - (e) If it is necessary to comply with a direction for the Courts, or an instruction of the Financial Supervision Commission, Financial Services Authority or other relevant financial services regulatory authority;
 - (f) If the Investment Manager acts fraudulently in relation to the Manager, or any of its other customers and, in the Manager's reasonable opinion, the fraud causes prejudice to the ongoing Agreement between the Manager and the Investment Manager;
- (iii) on the termination of the management Agreement;
- (iv) by the Company or Manager (with the approval of the Directors) if it is desirable in the interests of the Shareholders at any time by giving the Investment Manager three months notice in writing.

The Registrar

The Fiduciary Custodian has delegated the functions of the Registrar to the Manager. The Register of Shareholders can be inspected at the offices of the Manager during normal office hours.

Facilities in the United Kingdom

The services required under Part 14, Section B of the Financial Services (Regulated schemes) Regulations 1991 (of the United Kingdom) are provided by:

The Compliance Officer
Zurich Assurance Limited
UK Life Centre
Station Road
Swindon
Wiltshire
SN1 1EL

The Auditors

PricewaterhouseCoopers LP ('the Auditors')
Sixty Circular Road
Douglas
Isle of Man
IM1 1SA
British Isles

3 Investment restrictions

It is intended that there will be exercised in relation to the Company all powers conferred by the Regulations as the Manager sees fit from time to time.

The Regulations are detailed but primarily provide that each Investment Fund should maintain a minimum spread of investments appropriate to its stated investment objectives (Please refer to Appendix 2). A summary of the restrictions applicable to authorised securities schemes (i.e. all Investment Funds except the International Managed Currency Fund) is as follows: They must generally invest in approved securities although up to 10% of property of an Investment Fund can be invested in transferable securities which are not approved securities (transferable and approved securities are defined in the Regulations). Cash or near cash may be held in order to finance the repurchase of shares or for the efficient management of the Investment Funds. The Investment Funds must not hold influential stakes in bodies corporate, voting shareholdings being limited to 10% of such shares in issue.

Nil paid and partly paid securities may be acquired in the limited circumstances permitted by the Regulations.

The Investment Funds may invest in certain other collective investment schemes and in collective investment schemes managed or operated by the Manager (or certain persons connected to it) subject to the requirements of Regulations (subject to a limit of up to 5% of the particular Investment fund's property).

There is a 5% limit on transferable securities issued by the same issuer which may be exceeded in circumstances permitted by the Regulations.

In accordance with the Regulations the Company may also only invest up to 35% of the property of each Investment fund in government and other public securities issued by the same issuer.

In the case of the International Gilt and Income Fund this 35% limit is increased; up to 100% of the value of this Fund may be invested in Government and Public Securities issued or guaranteed by H.M. Government, the International Bank of Reconstruction and Development or the European Investment Bank provided that at least six different issues are held from the same issuer and not more than 30% of the value of the Fund consists of the same issue.

Investment in securities not officially listed on an approved market, or on a secondary market, or other securities shall not exceed the limits imposed by the Regulations.

The International Managed Currency Fund is a USD-based Money Market Fund. Essentially such a Fund is required to hold short dated bonds, cash or short dated loans to or deposits with recognised institutions. Not more than 5% of the property of a Money Market Fund can consist of instruments issued by the same issuer except in the case of government and other public securities where the limit is 80%, although where over 35% is held there must be a minimum of 6 separate issues. At least 50% in value of the property of a money market fund shall consist of instruments, deposits or loans which are repayable within two weeks, or which are capable of being transferred without the consent of a third party.

Each Investment Fund has the power to hold cash for various purposes ancillary to its objects, and from time to time the Managers may increase the liquidity in the light of market conditions.

In addition, the Manager and the Fiduciary Custodian have agreed a list of eligible markets, in accordance with the Regulations, into which the Funds may invest. This is shown as Appendix 1.

Hedging

1 Subject to the provisions of paragraphs 2 to 10 below, the property of the Investment Funds may be used in hedging transactions.

2 No transaction shall be regarded as a hedging transaction for the purposes of the Regulations unless:

(a) the transaction is one which may reasonably be regarded as economically appropriate to the reduction or elimination of risks arising in the management of the Investment Funds by virtue of fluctuations in the price of investments comprised in the property of an Investment Fund or by reason of fluctuations in interest or exchange rates;

(b) any instrument used in the transaction is one which, by virtue of the relationship between fluctuations in its price and fluctuations in the price of the property or any part of the property of an Investment Fund or fluctuations in interest or exchange rates, may reasonably be regarded as an instrument which may be appropriately used in order to reduce or eliminate risk arising with respect to the property or any part of it from such fluctuations; and

(c) the purpose of the transaction is the reduction or elimination of risk and not speculation and, for these purposes, a transaction shall not be regarded as one for the reduction or elimination of risk if, having regard to other hedging transactions which have been entered into in relation to the property or any part of it, it is unreasonable to consider that risk continues to arise of a kind for which the instrument may appropriately be used.

3 No hedging transaction shall be entered into at any time at which the total value, calculated in accordance with the Regulations, of all cash and other property paid or deposited by way of premium or initial margin and which may reasonably be regarded as attributable to any obligations or right then arising under a hedging transaction which is not closed out would, if added to the amount of any premium or initial margin payable in respect of the proposed transaction, exceed 5% in value of the property of the Investment Fund.

4 Except in the case of an instrument which is utilised to hedge against fluctuations in exchange rates, no instrument shall be utilised unless it is either a traded option or an instrument other than a traded option being an instrument which is traded on under the rules of an approved options and futures market and which is an instrument relating to property with respect to which, or to an index or other factor by reference to which instruments of that kind have been so traded for a period of at least six months.

5 Subject to paragraph 5(b), no hedging transaction under which an obligation to receive or deliver property does arise or may arise at the option of some person other than the Fiduciary Custodian, acting in its capacity as such, or the Company shall be entered into unless the transaction is covered and, for the purposes of this paragraph a transaction shall be regarded as covered only if:

(a) in the case of a transaction under which an obligation to deliver property does or may arise, the property of the Investment Fund includes either:–

(i) property sufficient to enable that obligation together with any other similar obligation with respect to property of the same kind to be discharged; or

(ii) rights to acquire property sufficient to enable that obligation and any other kind similar obligation with respect to property of the same kind to be discharged; and

(b) in the case of a transaction under which an obligation to receive property does arise or may arise, the property of the Investment Fund concerned includes either:–

(i) cash or near cash, which is not otherwise taken into account for the purposes of paragraph 7, or for the purposes of Regulations, sufficient to enable that obligation and all similar obligations to be discharged; or

(ii) rights to dispose of the property should the obligation to acquire it arise.

6 For the purposes of paragraph 5, the property of the Investment Funds shall be regarded as including property sufficient to enable the discharge of an obligation arising under a hedging transaction which is a contract for differences if the property includes property or rights to acquire property, which, by virtue of the correlation between that property and the property, index or other factor by reference to which any amount payable under the hedging transaction is to be calculated, may reasonably be considered to be sufficient to enable the obligation to be discharged.

7 No option shall be purchased unless the property of the Investment Fund comprises cash or near cash which is not taken into account for the purpose of paragraph 5(b)(i) or for the purposes of the Regulations and which is sufficient to enable the payment of that premium and all other premiums then payable, including, in the case of a call or put option which is a margined contract purchased for the Investment fund the amount of any premium which will become payable unless the option is sold.

8 No hedging transaction under which an obligation to receive property does or may arise shall be entered into unless the obligation could be discharged without contravening any provision of the Regulations.

9 No instrument relating to currency shall be utilised in order to hedge against fluctuations in exchange rates unless the instrument relates to the base currency or to a currency in which the property or any part of it is denominated.

10 None of the provisions of paragraphs 2 to 9 shall prevent an instrument being utilised in order to close out a hedging transaction.

11 If, at any time after a hedging transaction has been entered into, circumstances arise which may have the effect that, having disregarded all obligations and rights arising under hedging transactions which have been closed out, the transaction could not then be entered into except in contravention of any provision of the Regulations concerning hedging, the Manager shall forthwith upon becoming aware of that fact take such reasonable steps to ensure that the provisions of Regulations are complied with either by closing out the transaction or by providing cover for it or otherwise and the Fiduciary Custodian shall forthwith upon becoming aware of the contravention, take such reasonable steps as are necessary to ensure that the Manager fulfils that duty.

Borrowing

The Company (subject to the restrictions set out below) is authorised to take advantage of the borrowing powers under the Regulations. The Regulations contain the restriction that no sum shall be borrowed if, on the date it is proposed to borrow the sum, that sum together with all other sums borrowed and not repaid at that date would:-

- (a) amount in aggregate to a sum greater than the total of all sums which are to become part of the property of the Company within one calendar month of that date; and
- (b) if they were immediately repayable require more than 10% in value of the property of the Company to be utilised for the purposes of repayment.

Winding Up

The Company may be wound up if a Special Resolution of the Shareholders so determines or may be wound up if the order declaring the Company to be an Authorised Scheme is revoked.

On a winding up, the assets available for distribution amongst the Shareholders shall be applied in the following priority:-

(i) in the payment to holders of Shares in accordance with their respective interests in the property of each Investment Fund.

(ii) in the payment to the holders of Nominal Shares of sums up to the nominal amount paid thereon.

(iii) in the payment to the holders of Management Shares of the balance:

The holders of Shares on which any equalisation payment is outstanding at the commencement of a winding up rank as an unsecured creditor of the Company for repayments.

A meeting of Shareholders in any Investment Fund held in accordance with the Regulations, may by extraordinary resolution approve the winding up of that particular Investment Fund.

4 Characteristics of shares in the scheme

The types of shares in the Company and their characteristics are as follows:

(i) Unclassified Shares

These may be issued by the Company as Shares or Nominal Shares.

(a) Shares

The Shares confer the right to a proportionate share in the property of the Investment Fund to which they are linked and to dividends declared in respect of income on that property.

At General Meetings, on a poll, every holder of a Share present in person or by proxy will be entitled to one vote for every Share of which he is a holder. On a show of hands every holder of a Share present in person or by proxy will be entitled to one vote regardless of the number of Shares held. Shares can be issued as Income or Accumulation Shares.

(b) Nominal Shares

Nominal Shares can be issued and redeemed only at par and only for the purpose of providing funds for the repayment of the nominal amount of Shares on redemption or cancellation. They can be issued only to the Manager. They may be converted into Shares of any Investment Fund on payment of the appropriate premium in the currency in which such Investment Fund of Shares is designated (or in such other currency as the Directors shall agree).

A holder of a Nominal Share(s) or Shares has the right to payments on a winding up only as described above and has no voting or other rights. On the redemption of Shares, the nominal value of each Share may be financed by the issue of a Nominal Share. A holder of Nominal Shares shall be entitled at any time to convert Nominal Shares into Shares by paying to the Company on any Dealing Day the difference between the current Creation Price of Shares and the nominal value of the Nominal Shares converted.

(ii) Management Shares

The Management Shares exist to comply with Isle of Man law which requires that the Shares have a preference over another non redeemable class of capital. In order to be redeemable, Management Shares can only be issued at par to the Manager or to any associate of the Manager. Management Shares will not entitle the holders thereof to receive any dividends. Management Shares have the right to payments on a winding up as described above and carry no voting or other rights.

On 31 December 2008, 910,073,574 Shares had been allotted.

Variation of Class Rights

Under the Companies Acts 1931 to 2004 of the Isle of Man no amendment may be made to the Company's Memorandum and Articles of Association unless the amendment is approved by a special resolution of Shareholders. Under the Regulations where the Fiduciary Custodian is of the opinion that the resolution might give rise to a conflict of interest between different classes of Shareholders the resolution must be passed at meetings of each class of Shareholders instead of a general meeting of all Shareholders. See also the section on Amendment to the Articles of Association.

Certificates

No certificates will be issued.

Shareholders

The Company shall register Shares jointly in the names of not more than four holders should they so require. In the case of joint holders, the vote of the senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders, and for this

purpose seniority shall be determined by the order in which the names stand in the Register of Shareholders.

The Directors may determine whether or not any particular scheme or class of person should become the holder of Shares in the Company should they be of the opinion that the holding of Shares by such person may be in breach of any law, governmental regulation, directive or announcement or would otherwise render the company liable to taxation or any pecuniary or other disadvantage for which it would otherwise not be liable.

5 Valuation of assets and revaluation of property

Valuation of Assets

The valuation of assets will be made in accordance with the provisions of the Regulations. These provide for valuations to be carried out in two parts, one on an offer basis and the other on a bid basis. For each basis of valuation cash and amounts held on deposit account shall be taken into account at their nominal value. Each Investment fund will be valued daily at 4.00pm on Dealing Days in the Isle of Man using the prices of the appropriate markets.

All property, for that part of the valuation which is on an offer basis, shall be valued

- (i) in the case of property which is an investment of any description other than a unit in a collective investment scheme, at the market dealing offer price of that investment;
- (ii) in the case of property which is units in a collective investment scheme, at the price at which units of the kind in question were or would have been created following the most recent valuation of the relevant scheme, or if:

- (a) there is no such creation price for the units in question; or
- (b) the relevant creation price is higher than the issue price then being offered for deals of the relevant size; or
- (c) the Manager, after making reasonable enquiries, has been unable to ascertain the relevant creation price; at the issue price then offered for deals of the relevant size;
- (iii) if there is no price of the property in question under sub-paragraph (i) or (ii), at a reasonable estimate of the amount which would be paid by a buyer, by way of consideration, for an immediate transfer or assignment to him at arm's length plus any fiscal charges commission and other purchase charges which would be payable by him.

All property, for that part of the valuation which is on a bid basis, shall be valued:-

- (i) in the case of property which is an investment of any description other than a unit in a collective scheme at the market dealing bid price of that investment at the relevant time;
- (ii) in the case of property which is units in a collective investment scheme, at the amount which would be received if they were offered for redemption at the relevant time in what, in the reasonable opinion of the Manager, is a standard size; and
- (iii) if there is no price of the property in question under sub-paragraph (i) or (ii) above, at a reasonable estimate of the amount which would be received by a seller by way of consideration for an immediate transfer or assignment from him at arm's length less any fiscal charges, commission and other sales charges which would be payable by him.

Subject to the Regulations, the Fiduciary Custodian, the Manager and the Directors shall be entitled to rely upon a statement as to the value of any investment or the rate of exchange prevailing at any time if they believe it to be genuine and to be given by a person independent of any of them who is competent to make such a statement.

In calculating the values of the property of each Investment Fund inter alia:

- (a) there shall be deducted from the property of the Investment Fund a reasonable estimate by the Manager of the total amount of the liabilities including potential liabilities which have accrued to date and are payable out of the property of the Investment Fund, including the principal amount of any outstanding borrowings whenever repayable;
- (b) there shall be added to the property of each Investment Fund:

- (i) a reasonable estimate by the Manager of the total amount of any claims for repayment of any taxation levied on capital (including capital gains) or on income accrued before the valuation point allocated amongst the Investment Funds in such a way as the Manager, after consulting with the Fiduciary Custodian, considers to be fair to the Shareholders in each Investment Fund; and
- (ii) a sum representing any interest or dividends accrued but not received or receivable.

Revaluation of Property

The Manager reserves the right to revalue the property of the Company as a whole or of any Investment Funds at any time at its discretion. This is only likely to take place in cases where there has been a substantial (at least 2%) change in the value of underlying assets of the Company or the Investment Fund (as the case may be) since the previous valuation. In these circumstances the Manager is obliged to revalue if pricing is on an historic basis.

6 General information on pricing

The Manager may elect to deal at either forward or historic prices. The basis may be changed on notification to the Fiduciary Custodian. At present, pricing is on a forward basis. The Regulations are complex and there may be circumstances when the Manager cannot deal at forward prices. The Manager has the right to vary the basis for large deals. (See glossary of terms.)

Suspension of the Calculation of the Value and the Offering and Redemption of Shares

The Manager, with the prior agreement of the Fiduciary Custodian, may, or shall, if the Fiduciary Custodian so requires, suspend the valuation of the property of the Company and in such circumstances shall suspend the allocation, issue, redemption and cancellation of Shares and the calculation of the value per Share for a period not exceeding 28 days if the Manager or the Fiduciary Custodian, as appropriate, is of the opinion that there is good and sufficient reason to do so. The Company shall cease the issue, allocation, redemption and cancellation of Shares forthwith upon the occurrence of an event causing it to enter into liquidation.

Shareholders having requested a repurchase or redemption of their Shares will be notified in writing of any such suspension within seven days of their request and will be promptly notified upon termination of such suspension.

The beginning and end of any period of suspension (except for customary closing of stock exchanges for not more than three working days) will be made known at the registered office of the Company, announced to Shareholders affected and to the Financial Supervision Commission in the Isle of Man. Notice will also be given to any Shareholder lodging a request for repurchase or redemption of Shares.

Dealing in Shares by the Manager

The Manager as principal acquires and holds Shares and generally satisfies, in whole or in part, an application or request as follows:–

(a) for the purpose of the buying of Shares by the applicant by effecting a transfer to the applicant of Shares owned by the Manager at a price determined by the Manager, but in no circumstances to be greater than the relevant Offer Price (including the Managers preliminary charge).

(b) for the purpose of a redemption of Shares by Shareholder by buying such Shares from the Shareholder at a price determined by the Manager, but in no circumstances to be at a price less than the relevant Redemption Price.

The Manager is under no obligation to account to the Company or to the Shareholders for any profit which it makes on the issue of Shares or on the re-issue or cancellation of Shares which it has repurchased.

7 Calculation of prices

Offer Price

The Manager allocates Shares on Dealing Days at a price per Share equal to the value of the property determined on the offer price basis by reference to the most relevant valuation point:–

- (a) of that part of the capital property of the Company attributable to Shares of the type in question divided by the number of such Shares in issue, or deemed to be in issue, and
- (b) of that part of the income property of the Company attributable to Shares of the type in question at the valuation point divided by the number of such Shares in issue, or deemed to be in issue, together with the preliminary charge payable to the Manager (currently 5% of the Offer Price). The income portion of the offer price represents equalisation on new shares.

The right is reserved to waive the whole or any part of the preliminary charge in respect of any particular application. The Articles permit a maximum preliminary charge of 7.5269% of the Creation Price (equivalent to 7% of the resultant Offer Price). The price will be accurate to at least four significant figures.

Bid or Redemption Price

Shares are redeemed on Dealing Days for an amount per Share equal to the value of the property determined on the bid basis by reference to the most relevant valuation point of:–

- (a) that part of the capital property of the Company attributable to Shares of the type in question at that valuation point divided by the number of such Shares in issue, or deemed to be in issue and
- (b) that part of the income property of the Company attributable to Shares of the type in question at that valuation point divided by the number of such Shares in issue, or deemed to be in issue.

The prices are accurate to at least four significant figures.

Cancellation Price

This is calculated in the same way as the Bid Price and determines the price for each Share payable to the Manager on cancellation of Shares.

Conversion Price

The Conversion Price is the price at which Shares of an Investment Class may be acquired in exchange following a redemption of Shares in another Investment Class. It is calculated in the same way as the Offer Price, but does not include any Manager's preliminary charge.

Creation Price

This is calculated in the same way as the Offer Price (excluding any preliminary charge) and determines the price for each Share payable by the Manager on creation of Shares.

Dealing in Shares

The Manager will deal in Shares on any Dealing Day at prices based on the valuations of underlying investments of the relevant Investment Fund. Purchase and sale of Shares may take place between 9.00am and 3.00pm on any Dealing Day. However, applications for deals received after 3.00pm will be held over until the next Dealing Day and on acceptance by the Manager will be processed at prices ruling on that day.

8 Buying of shares

Minimum Holding of Shares

As Share prices in each of the Investment Funds are variable, all minimum dealing figures are quoted as a value, rather than as a number of Shares.

(i) Minimum Initial Purchase Value

(a) Lump Sum Investments including Nominee Investment Service Investments
GBP2,000, USD3,000 or EUR3,000

(b) Flexible Savings Plan

GBP200, USD300 or EUR300

(ii) Minimum Value of Holding per Investment Fund

(a) Lump Sum Investments including Nominee Investment Service Investments
GBP750, USD1,125 or EUR1,125

(b) Flexible Savings Plan

GBP200, USD300 or EUR300

(iii) Minimum Additional Application

(a) Lump Sum Investments including Nominee Investment Service Investments
GBP1,000, USD1,500 or EUR1,500

(b) Flexible Savings Plan

GBP200, USD300 or EUR300

(iv) Minimum Redemption Value

(a) Lump Sum Investment including Nominee Investment Service Investments
GBP750, USD1,125 or EUR1,125

(b) Flexible Savings Plan

GBP200, USD300 or EUR300

Please note that the Flexible Savings Plan is not open to new investments.

Application Procedures

Upon acceptance of a completed Application Form and appropriate application monies for investment, the Manager will take the following action:-

(a) Allocate Shares to the applicant. Please note that fractions of Shares cannot currently be issued, therefore the Manager, in calculating the number of Shares to be allocated to the applicant, will round the calculations up or down to the nearest whole Share. Any under or over payment resulting from this rounding will be for the account of the Manager.

(b) Issue and send to the applicant a Contract Note accepting the application, and detailing the allocation of Shares, the price at which the Shares have been sold, the Cancellation Price and the amount of the preliminary charge.

Title to Shares purchased is evidenced by an entry on the Register of Shareholders. Shareholdings in the Flexible Savings Plan and the Nominee Investment Services will be registered in the name of Allied Dunbar International Nominees Limited.

Applications when accepted by the Manager are, subject to the Cancellation Rights set out below, irrevocable, but any application may be rejected in whole or in part and, in that event, any excess application money will be returned within five business days of receipt by the Manager, without interest, to the applicant by post at the applicant's risk.

This is a Regulated Collective Investment Scheme. You will have the right, whether or not the Financial Services (Cancellation Rules) 1989 (as amended) of the UK apply, to cancel as if those rules do apply.

9 Redemption of shares

Redemption Procedures

Requests for redemptions received by 3.00pm, and accepted by the Manager will be dealt with at the relevant Redemption Price determined later on that day. Requests received after 3.00pm will be held over until the next Dealing Day.

The Manager may refuse to comply with instructions for dealings in Shares if to do so would result in a residual holding having a value of less than GBP750 in any one Investment fund.

Requests to redeem once made may only be withdrawn in the event of a suspension of the redemption of Shares.

Redemptions (of all or part of a holding) are effected as follows:

Shareholders should notify the Manager (in writing, by fax, by telex or by telephone) at its registered office, of the number and Fund of the Shares to be redeemed. Where instructions have been made other than in writing, written confirmation must be lodged with the Company before proceeds will be released. An email instruction will not be accepted by the Company as an instruction in writing.

When shares are redeemed cheques will be issued by close of business on the forth business day (the next business day for Managed Currency Fund) following receipt of a fully completed Redemption instruction.

Alternative methods of payments, such as Telegraphic Transfers, SWIFT or Bank Drafts, are available on request. The Manager may deduct from the proceeds any fees or expenses that may be incurred from these alternative methods of payment.

Please note, the Manager is not responsible for any delay in receipt of payments as a result of events which are outside its control.

10 Flexible savings plan*

Subscriptions may be made monthly, quarterly, half yearly or yearly and can be in any major convertible currency. Subscriptions received which are not in the base currency of the fund will be subject to the Currency Conversion Service. Each regular subscription must be at least GBP200, USD300 or EUR300.

There is no restriction on the choice of Investment Fund. The investment may be allocated to any Shares of any or all of the eight different Investment funds available provided that a minimum of GBP200, USD300 or EUR300 is allocated to each of the chosen Investment Funds.

The whole of each subscription purchases Shares at the ruling Offer Price on the 15th day of the month (or if this is not a Dealing Day, the next Dealing Day thereafter) following receipt by the Manager of the subscription.

Future subscriptions can be cancelled at any time without penalty, also the Investment fund in which Shares are to be purchased by future subscriptions can be changed at any time, without charge, by instructing the Manager in writing.

*Please note that the Flexible Savings Plan is not available to new investors. This information is only applicable to holders of existing Flexible Savings Plans.

11 Changing Investment Funds

Investors wishing to change the Investment Fund to which their Shares are linked can do so by using the Share Conversion Facility which enables them to convert Shares of one Investment Class to Shares of another Investment Class. Investors should notify the Manager (in writing by fax, by telex or by telephone) of their intention to convert. Where instructions have been made by fax, telex or telephone, written instructions must be lodged with the Company. A separate Conversion Request Form is available from the Manager upon request.

Following receipt by the Manager of a valid conversion instruction, the Manager will allocate in exchange for the original Shares, Shares in the new Investment Fund(s) of the client's choice.

The conversion will be effected using the ruling Redemption Price of the original class of Shares and the ruling Conversion Price for the new class of Shares to determine the number of Shares that will be issued in exchange. The Manager does not currently make any charge for this service.

Investors who are resident (or ordinarily resident) in the UK for tax purposes should note that the Company has been advised that a conversion of Shares using this facility will constitute a disposal for the purposes of UK Capital Gains Tax.

Conversion may be effected on any Dealing Day by the Manager and at a rate of not less than the number calculated by the following formula (fractions being disregarded):

$$\text{NSH} = \frac{\text{OSH} \times \text{ORP} \times \text{EXR}}{\text{NCP}}$$

where:

NSH is the number of Shares of the new Investment Fund to be allotted;

OSH is the number of Shares of the original Investment Fund to be converted;

ORP is the Redemption Price per Share of the original Investment Fund ruling on the relevant Dealing Day;

EXR is the currency conversion factor determined by the Directors of the Company on the relevant normal Dealing Day as representing the effective rate of exchange (if any) applicable to the transfer of funds between relevant Investment Funds; and

NCP is the Conversion Price per Share for the new class ruling on the relevant Dealing Day.

Please note that once a valid conversion instruction has been received by the Manager, the investor has no right to withdraw from or cancel the transaction.

Switching Investment Holdings

Alternatively investors wishing to make a change of investment holdings can do so by redeeming their original Shares and purchasing Shares of the new Investment Fund with the sale proceeds. This constitutes a disposal for the purpose of UK Capital Gains Tax. In order to effect such a switch of holdings, investors should notify the Manager (in writing, by fax, by telex or by telephone).

A completed Application Form for the new Investment Fund(s) is required. Where instructions have been made by fax, telex or telephone, written instructions must be lodged with the Company before the new Shareholding can be fully registered.

Equalisation payments will operate on Switches. This is explained below.

12 Currency conversion service

Where payments in respect of the purchase or redemption of Shares are tendered or requested in a freely transferable currency other than the Investment Fund currency, the necessary foreign exchange transactions will be arranged by the Manager for the account of, and at the expense of, the applicant at the time the application is accepted. The Manager has a responsibility under the Regulations to ensure that the rate of exchange is fair.

13 Fees, charges and expenses

Manager's Preliminary Charge

The Offer Price includes a preliminary charge to be retained by the Manager on the sale of Shares of each Investment Fund. This will be agreed between the Manager and the Company, but is currently 5% of the Offer Price. The maximum currently permitted in the Articles of Association is 7.5269% of the Creation Price (equivalent to 7% of the Offer Price).

Manager's Periodic Charge

The Manager is also entitled to be paid a periodic charge by the Company for its services. This fee is calculated on a daily basis and paid monthly. The annual rate is currently 1.95% of the underlying value of the property of the Investment Funds (calculated on the offer price basis of valuation) for all Investment Funds except the Gilt and Income Fund and the Managed Currency Fund which have an annual rate of 1.25% and 1.00%, respectively, of the underlying value of the property of the Investment Fund (calculated on the offer price basis of valuation).

The current maximum annual permissible rate is 2%.

Manager's Conversion Charge

The Manager currently makes no charge for conversions. However, the Manager is authorised to make a charge not exceeding 7.5269% of the Creation Price (equivalent to 7% of the Offer Price) on the repurchase and sale of Shares in exchange (other than the first such repurchase and sale by a Shareholder in any one accounting period).

With regard to the Manager's charges permitted in the case of an umbrella fund, a distinction is to be made between a sale (or repurchase, as appropriate) of Shares 'in exchange', that is a sale (or repurchase) of Shares in one Investment Fund in order to exchange them for Shares in another Investment fund, and a 'first sale' or repurchase of Shares in the Company.

Fiduciary Custodian's Remuneration

The Fiduciary Custodian is entitled to be paid a fee by the Company for its services. This fee is calculated on a daily basis and paid monthly at a rate of 0.1% per annum of the first GBP20 million of the aggregate value of the property, 0.04% of the next GBP40million and 0.01% upon the balance subject always to a minimum annual fee of GBP6,000. All fees are paid out of the property of the Investment Funds.

Fiduciary Custodian's Disbursements

In addition to expenses of the kind itemised in the Regulations and to accord with the provisions of the Regulations, the following expenses and disbursements are, to the extent that they are expenses of the Fiduciary Custodian incurred in connection with its duties as Fiduciary Custodian of the Company, also authorised for payment out of the property of the Investment Funds.

Such expenses and disbursement shall, without limitation, include—

1 The fees, expenses and disbursement of any agent appointed by the Fiduciary Custodian in connection with its duties in relation to the Company and the Fiduciary Custodianship;

2 The fees, expenses and disbursement of any legal or accountancy adviser, valuer, broker or other professional person appointed by the Fiduciary Custodian in connection with its duties in relation to the Company and the Fiduciary Custodianship including the cost of obtaining advice on whether or not the Fiduciary Custodian has the power or capacity to act in any question relating to the Company.

3 All other expenses and disbursements bona fide incurred by the Fiduciary Custodian in connection with the Fiduciary Custodianship of the Company.

These expenses and disbursements are paid as and when they arise.

Directors' Remuneration

Each Director is entitled to such remuneration as may be voted to him by the Company in General Meeting (General meeting held 26 April 2006 agreed a fee of USD7,500). All Directors, except the non-executive Directors, waive their rights to any Directors fees.

Such remuneration shall be deemed to accrue from day to day. The Directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or General Meetings of the Company or in connection with the business of the Company.

The Directors may grant special remuneration to any Director who, being called upon, shall be willing to render any special or extra services to the Company: such special remuneration may be payable in addition or in substitution to a Director's ordinary remuneration and may be payable as a lump sum or by way of salary or commission or other means.

The Investment Manager

The fees and expenses of the Investment Manager are borne by the Manager out of its remuneration.

General Expenses

The following expenses may be paid out of the property of the Investment Funds:

- (a) the costs of dealing in the property of the Investment Funds;
- (b) interest on borrowings permitted under the Regulations and charges incurred in negotiating, effecting or varying the terms of such borrowings;
- (c) the costs and expenses incurred in obtaining a listing on any stock exchange;
- (d) taxation and duties payable in respect of the property of the Investment Funds, the Principal Constitutional Documents and the creation and sale of Shares;
- (e) any costs incurred in modifying the Principal Constitutional Documents;
- (f) the costs incurred in the preparation and publication of any Prospectus or Scheme Particulars and any substituted or Supplementary Prospectus or Scheme Particulars;
- (g) any costs incurred in respect of meetings of holders;
- (h) any charges reasonably incurred by the Fiduciary Custodian in depositing any part of the property of the Investment Funds in safe keeping in a country or territory outside the Isle of Man;
- (i) the fees and expenses of the auditor of the Company;
- (j) the costs incurred in publishing annual and interim reports;
- (k) the costs incurred in keeping the Register of Shareholders;
- (l) the costs incurred in administering the Investment Funds;
- (m) the fees of the Financial Supervision Commission or of any regulatory authority in a country or territory outside the Isle of Man in which Shares are or may be marketed.

These expenses are paid as and when they arise.

Value Added Tax

In addition, all fees and charges will, where appropriate, be subject to VAT in the Isle of Man, currently levied at 15%. Such VAT will be paid by the Company.

Any expenses which may be paid out of the property of the Company and any sums received which are not attributable to one Investment Fund only will be allocated amongst the Investment Funds in such a way as the Manager, after consulting the Fiduciary Custodians, considers to be fair to the Shareholders in each Investment Fund.

14 Distributions

The Annual Income Allocation Dates (distribution dates) and the Accounting Dates (the record dates) are shown for each Investment fund on the table at the back of this book.

Each year there will be a dividend distribution in respect of each Investment fund of the whole amount available for distribution determined in accordance with the Regulations.

Distributor Status

In order that UK resident or ordinarily resident investors holding Shares in offshore funds are not charged under the rules contained in the UK Income and Corporation Taxes Act 1988 Part (XVII) Chapter (V) and Schedule 28 on any gains on the realisation by them of their interest as though such a gain is income and without the benefit of any reliefs, allowances and exemptions that may be available against capital gains, the offshore fund in which they held their interest must have been certified by the UK Inland Revenue as a distributing fund throughout the period during which that interest was held. To be so certified it must have followed a full distribution policy. Therefore, it is intended that after deduction of permitted expenses and charges, all income attributable to the Shares of each Investment fund will be distributed to the holders of Shares by way of dividend at least annually. The Investment Fund may be certified retrospectively as a distributing fund. Certification of the Company as a distributing fund has been granted for the accounting periods from incorporation to 31 December 2008 for all funds.

15 Automatic reinvestment facility

Shareholders who do not wish to receive their dividends in cash may elect to have dividends declared on any Shares of any Investment Fund held by them, received and applied in the acquisition of further Shares of their Investment Fund. To take advantage of this facility, please complete the relevant section of the Application Form. The Manager will normally apply the Offer Price ruling fourteen Dealing Days prior to the distribution date, less a discount of 2% for Shares purchased with automatically re-invested income. Shareholders will be notified of dividends paid and re-investment following the distribution.

16 Equalisation account

Equalisation Accounts operate for all Investment Funds. An equalisation payment is that proportion of the total distribution payment which represents a return of capital. The payment represents the average amount of income accrued in the price of Shares at the date of purchase, and reflects the fact that the purchase price included an element for income accrued and awaiting distribution. Equalisation can only occur on the first distribution following a purchase of Shares. Such Shares are identified as Group 2 Shares on the Distribution Voucher. The amount is not liable to UK Income Tax and should be deducted from the cost of the Shares for Capital Gains Tax purposes. The grouping period used in the calculation of equalisation is 7 days.

17 Taxation

(a) The Company

The Company is registered in the Isle of Man and the control and management of the Company is exercised in such a way that the Company is resident in the Isle of Man and not in the UK for taxation purposes. In the Isle of Man there is at the date of these Scheme Particulars no Capital Gains Tax, Stamp Duty, Corporation Tax, Capital Transfer Tax, Estate Duty or Inheritance Tax. The Company will be liable to Manx Income Tax on profits after deduction of dividends payable. As the requirements for certification by the UK Inland Revenue as a distributing fund include a full distribution policy (see below). The company intends to distribute all its net income as dividends and thus no charge to Manx Income Tax is expected to accrue.

The Company has been granted Approved Investment company status in the Isle of Man under an Extra-Statutory Concession enabling it to pay all dividends to non-residents without deduction of tax at source. Withholding Tax will be deducted at source by certain other countries on local dividends. It is not possible for the Fund Manager to reclaim tax relating to a foreign income dividend.

(b) Shareholders

Shareholders resident in the Isle of Man for taxation purposes will, subject to their personal circumstances, be liable to Isle of Man Income Tax in respect of dividends received from their investments.

Shareholders resident in the UK for tax purposes, who hold Shares may, subject to their personal circumstances be liable to UK Income Tax or Corporation Tax in respect of dividends or other income distributions of the Company. In particular Shareholders resident and domiciled in the UK for tax purposes who participate in the automatic reinvestment facility should note that notwithstanding their reinvestment, dividends dealt with in this way will be treated as income receipts and should be included in their tax returns as such.

The attention of individuals ordinarily resident in the UK is drawn to sections 739-745 of the Income and Corporation Taxes Act 1988 (of the United Kingdom) ('ICTA 1988') which contain provisions for preventing the avoidance of Income Tax by individuals through transactions involving the transfer of assets resulting in income, including trading profits, arising to persons (including companies) abroad and may render such persons liable for taxation in respect of the income and profits of the Company.

The Company is an 'offshore fund' for the purposes of the ICTA 1988 Part (XVII) Chapter (V). The effect of this is that gains arising on a disposal by UK taxpayers of 'material interests in offshore funds' (which a holding of Shares would be) will be treated as income and will be subject to Income or Corporation Tax without the benefit of certain exemptions, allowances and reliefs which might otherwise be available to the taxpayer on the realisation of capital gains. For this purpose, UK taxpayers includes persons who are domiciled and resident or ordinarily resident in the UK and others whose interest in the offshore fund is held in connection with a branch or agency through which a trade is carried on in the UK.

However, gains arising will not be taxed as income, although subject to and at rates equivalent to Income Tax rates, when they result from a disposal of a material interest in an offshore fund which is certified as a distributing fund throughout the period the interest is held. Such gains will be treated as capital gains subject to any available exemptions, allowances and reliefs and will, in the case of individual UK taxpayers, be taxed at tax rates that would apply if such gains were all additions to and represented the top part of an individual's income. To obtain certification (which must be applied for in arrears in respect of each period of account not exceeding 12 months) an offshore fund must pursue a full income distribution policy and meet certain investment diversification requirements. Broadly, a full income distribution policy requires the distribution by an offshore fund (and each sub-fund) of not less than 85% of its UK equivalent profits (as defined) for the relevant period of account. The Directors intend, on the basis of the conditions for obtaining certification contained in ICTA 1988 to take all practicable steps to meet those conditions and to apply for certification as a distributing fund at the end of each period of account of the Company. There can, however be no guarantee that certification will be obtained or, once obtained, will be obtained for future accounting periods.

In the case of trustees of accumulation and discretionary settlements, capital gains are taxed at a rate equivalent to the basic rate of UK Income Tax plus an additional rate (a total charge of 40% at the current rates for the 2008/2009 tax year). The trustees will normally be entitled to an annual CGT exemption of GBP4,800.

Also included in ICTA 1988 are controlled foreign company provisions, the effect of which is to make companies resident in the UK for tax purposes and having a sufficient interest in the Company chargeable to Corporation Tax in certain circumstances in respect of the income of the Company. In general terms, these provisions will apply to investors who, together with their associates, are interested in 10% or more of the income of the Company.

Following changes in the Finance Act 1989 (of the United Kingdom), if an investor changes an investment in one Allied Dunbar International fund for an investment in another Allied Dunbar International fund, tax will (subject to personal circumstances) become chargeable on any gain arising. In the case of Investment Funds with distributor status, such tax will be a charge to UK Capital Gains Tax and in other cases this will be a charge to UK Income Tax.

The Investment Funds are not subject to the provisions of the European Union Savings Directive (Council Directive 2003/48/EC). As a result, Shareholders who are EU nationals resident outside their

home state are not required to opt to exchange information or pay a withholding tax under this Directive.

The foregoing is based on advice received by the Company on the law and practice at the date of these Scheme Particulars in force in the UK and the Isle of Man and is subject to changes therein. It is not (nor is it intended to be) an exhaustive statement of the taxation implications for investors. Neither the Company nor its representatives can accept responsibility for the taxation implications for investors of acquiring, holding, selling, redeeming or converting Shares of any Investment Fund under the laws of any jurisdiction to which they are subject. Prospective investors should therefore consult their professional Adviser.

18 General information

Financial Year

The Company's financial year ends on 31 December each year.

Accounts

Audited Accounts which contain a copy of the Auditor's and Fiduciary Custodian's Reports are published and sent to Shareholders within two months of the end of the year. A copy of the Half Year Report is sent to each Shareholder in August.

Copies of the Company's most recent Annual Report, the most recent Half-Yearly Report (unless superseded by an Annual Report), Memorandum and Articles of Association (comprising its constitution), Management and Fiduciary Custodian Agreements together with any instrument amending the same may be inspected at or obtained from the Company's registered office, or that of the Fiduciary Custodian.

Copies of the Financial Services Act 2008 of the Isle of Man together with the related regulations may be inspected at the Company's registered office.

Meeting of Shareholders

The Annual General Meeting of the Company is held in the Isle of Man each year, for which Shareholders will be given not less than 14 days' notice.

A meeting of the Shareholders duly convened and held may, in addition to the powers otherwise conferred by law, by extraordinary resolution:

- (i) approve any departure from any policy a statement of which has been included in scheme particulars relating to the Company.
- (ii) remove the Manager or the Fiduciary Custodian as provided in the Regulations.

Amendment to the Articles of Association

The Articles of Association may, subject to the approval of the Financial Supervision Commission, be amended at any time by a resolution of a meeting of Shareholders subject to the quorum and voting requirements provided by Isle of Man law. Written notice to Shareholders of the effectiveness of each amendment of the Articles of Association shall be provided with the next Report and Accounts following it being laid before Shareholders. Such notice shall either state the text of amendment or summarise its content and provide that the complete text of the amendment shall be sent to any Shareholder upon request.

Directors

- (i) A Director is not required to hold any Shares by way of qualification. There are no provisions requiring Directors to retire at any specified age.

(ii) 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.

(iii) A Director may not vote in respect of any contract or arrangement in which he is interested, nor may he be counted in a quorum except in certain cases as set out in the Articles of Association. The Company, however, has power by ordinary resolution to suspend or relax this restriction or to ratify any transaction not duly authorised by reason of a contravention thereof.

(iv) Any Director may act by himself or through his firm in a professional capacity for the Company and he or his firm shall be entitled to remuneration for professional services as if he were not a Director, provided that nothing contained herein shall authorise a Director or his firm to act as auditor to the Company.

(v) Any Director may continue to be or become a Director, Manager or other officer or member of any Company in which the Company may be interested, and no such Director shall be accountable for any remuneration or other benefits received by him in respect thereof. The Directors are vested with all powers, which, subject to the Regulations, are permitted by law, the Companies Acts 1931-2004 and the Financial Services Act 2008. The Directors may delegate their powers to a committee consisting of one or more Directors or to any Managing or Executive Director, to perform all acts necessary or useful for accomplishing the Company's objects.

United States of America

The Shares have not been registered under the Securities Act of 1933 (as amended) of the United States of America and, except in the case of a transaction which does not violate the Act, may not be offered or sold, directly or indirectly in the United States of America its territories, possessions or any area subject to its jurisdiction or to any national or resident thereof.

Publication of Prices

The most recent Offer, Redemption and Conversion prices of Shares will normally be published in the Financial Times on each Dealing Day.

19 Additional information

(i) The Company has not established and does not intend to establish a place of business in the United Kingdom.

(ii) Save as disclosed herein:

(a) no Shares or loan capital of the Company have been or are agreed or proposed to be issued as fully or partly paid up otherwise than for cash;

(b) no commission, discounts, brokerage or other special terms have within two years prior to the date of these Scheme Particulars been granted or are payable by the Company in connection with the issue or sale of any capital of the Company;

(c) no Share or loan capital of the Company is under option or agreed conditionally or unconditionally to be put under option;

(d) no amount or benefit has been paid or given to any promoter of the Company within the two years preceding the date of this Scheme Particulars or is intended to be paid or given to any promoter.

(iii) None of the Directors of the Company has an interest in the share capital of the Company which would be required to be shown in the register maintained under the provisions of the Companies Act 1985 of Great Britain if the company were subject to the provisions of that Act.

(iv) Save as disclosed in these scheme particulars, no Director of the Company has any interest, direct or indirect, in the promotion of or in any assets which have been or are proposed to be acquired or disposed of by or leased to the Company, nor is there any contract or arrangement subsisting at the date of these scheme particulars in which a Director is materially interested and which is significant in relation to the business of the company.

(v) With effect from 1 January 1993, Shares held in the Company became non-certificated. (i.e. the register of holders became the sole and conclusive evidence as to the persons entitled to the Shares therein).

(vi) Our Investment Manager has arranged for its brokers to provide, or finance, computer investment and information facilities which improve our service to shareholders. In return agreed levels of business, which have included transactions on behalf of the Company, were placed with the brokers.

20 Compensation scheme arrangements

On 1 August 2008 the Authorised Collective Investment Schemes (Compensation) Regulations 2008 of the Isle of Man came into operation. Generally, the effect of these regulations is to provide compensation for losses of up to GBP48,000 (based on the following formula: 100% of the first GBP30,000; 90% of the next GBP20,000, 0% of the balance) to an eligible investor should the Manager or the Fiduciary Custodian of an authorised scheme be unable or unlikely to be able to satisfy claims in respect of any description of civil liability incurred in connection with regulated business carried on by the Manager or the Fiduciary Custodian.

The UK Investor's Compensation Scheme does not apply.

21 Client money arrangements

Client money is held in appropriately designated accounts with HSBC. Any interest earned on client money accounts will be for the account of the Manager.

22 Important notes

(i) It is important to remember that the value of Shares and the income from them can go down as well as up.

(ii) Shares of each Investment Fund are offered on the basis of the information and representations contained in these Scheme Particulars and any further information given or representations made by any person must be regarded as unauthorised.

(iii) These Scheme Particulars do not constitute an offer or solicitation by anyone in any jurisdiction in which such an offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation.

(iv) The Directors of the Company, whose names appear within these Scheme Particulars, accept responsibility for the information contained in these Scheme Particulars. 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 these Scheme Particulars is in accordance with the facts and does not omit anything likely to affect the import of such information.

Glossary of terms

In these Scheme Particulars:

'ADIFM' means Allied Dunbar International Fund Managers Limited.

'Associate' means an appointed representative who has a contract for services with certain companies of the Allied Dunbar Group.

'bid price basis' means that the value of the property of an Investment Fund calculated as described in Section 7.

'Broker' means a financial services representative who is not an Associate.

'the Company' means Allied Dunbar International Funds Limited.

'Dealing Day' means any business day (being in relation to anything done or to be done in the Isle of Man, any day other than a Saturday, Sunday or bank holiday or other public holiday in the Island, and, in relation to anything done or to be done by reference to a market outside the Island, any day on which that market is normally open for business), except a business day falling within a period of suspension of the determination of the value of the property of the Investment Fund.

The Manager reserves the right to treat the business days immediately before and after the statutory Christmas and New Year holidays as Dealing Days or otherwise.

'EUR' means Euros which is the legal currency of the Euro Zone countries.

'Dollars' or 'USD' means United States dollars which is the legal currency of the United States of America.

'the Financial Supervision Commission' means the Isle of Man Government Financial Supervision Commission whose address is P.O. Box 58, Finch Hill House, Douglas, Isle of Man, IM99 1DT, British Isles.

Fund currency is USD for Managed Fund, Worldwide Equity Fund, North American Growth Fund, Managed Currency Fund and Far East Fund. GBP for UK Capital Growth Fund and Gilt and Income Fund. EUR for Europe Fund.

'Large Deals' means a large deal in the Company (as defined by the Regulations) which is one which is in excess of GBP150,000.

'Offer Price' means the price at which Shares are offered for purchase calculated as described in Section 7 and including any preliminary charge.

'offer price basis' means the value of the property of an Investment Fund calculated as described in Section 7.

'FSA' means the Financial Services Authority whose address is 25 The North Colonnade, Canary Wharf, London, E14 5HS.

'Principal Constitutional Documents' means the Memorandum and Articles of Allied Dunbar International Funds Limited and the Management Agreement and Fiduciary Custodian Agreement to which it is a signatory.

'Pounds' 'Sterling' or 'GBP' means Pounds Sterling which is the legal currency of the United Kingdom.

'redemption' includes the sale by an investor back to the Manager and/or the cancellation by the Company where the context permits.

'Scheme Particulars' means (except where expressly stated to the contrary) this document in its entirety.

'shares in exchange' means a sale (or redemption) of Shares in one Investment Fund in order to exchange them for Shares in another Investment Fund.

'UK' means the United Kingdom of Great Britain and Northern Ireland, which excludes the Isle of Man.

Words imputing the masculine gender only shall be deemed to include the feminine.

Fund price and yield information

The following information assumes a maximum Preliminary Charge of 5% of the Offer Price. Price and Yield information is for 31 December 2008.

Managed Fund

Date Established: 6 June 1984
Accounting Dates: 31 December
(Interim 30 June)
Distribution Dates: 28 February and 31 August
Pricing Currency: US Dollars
Actual Bid/ Offer Spread: On 31 December
2008 5.35%
Permissible Spread: On 31 December
2008 5.65%
Gross Annual Estimated
Dividend Yield: On 31 December
2008 0.52%
Income Distribution Dates: 28 February and
31 August

Managed Currency Fund

Date Established: 6 June 1984
Accounting Dates: 31 December
(Interim 30 June)
Distribution Dates: 28 February and 31 August
Pricing Currency: US Dollars
Actual Bid/ Offer Spread: On 31 December
2008 4.98%
Permissible Spread: On 31 December
2008 5.24%
Gross Annual Estimated
Dividend Yield: On 31 December
2008 0.18%
Income Distribution Dates: 28 February and
31 August

Gilt and Income Fund

Date Established: 6 June 1984
Accounting Dates: 31 December
(Interim 30 June)
Distribution Dates: 28 February and 31 August
Pricing Currency: Sterling
Actual Bid/ Offer Spread: On 31 December
2008 4.99%
Permissible Spread: On 31 December
2008 5.25%
Gross Annual Estimated
Dividend Yield: On 31 December
2008 2.98%
Income Distribution Dates: 28 February and
31 August

Worldwide Equity Fund

Date Established: 6 June 1984
Accounting Dates: 31 December
Distribution Dates: 28 February
Pricing Currency: US Dollars
Actual Bid/ Offer Spread: On 31 December
2008 5.38%
Permissible Spread: On 31 December
2008 5.69%
Gross Annual Estimated
Dividend Yield: On 31 December
2008 0.00%
Income Distribution Dates: 28 February

U.K. Capital Growth Fund

Date Established: 24 June 1987
Accounting Dates: 31 December
Distribution Dates: 28 February
Pricing Currency: Sterling
Actual Bid/ Offer Spread: On 31 December
2008 6.06%
Permissible Spread: On 31 December
2008 6.45%
Gross Annual Estimated
Dividend Yield: On 31 December
2008 1.19%
Income Distribution Dates: 28 February and
31 August

Europe Fund

Date Established: 24 June 1987
Accounting Dates: 31 December
Distribution Dates: 28 February
Pricing Currency: Euros
Actual Bid/ Offer Spread: On 31 December
2008 5.61%
Permissible Spread: On 31 December
2008 5.94%
Gross Annual Estimated
Dividend Yield: On 31 December
2008 0.52%
Income Distribution Dates: 28 February

North America Growth Fund

Date Established: 6 June 1984
Accounting Dates: 31 December
Distribution Dates: 28 February and 31 August
Pricing Currency: US Dollars
Actual Bid/ Offer Spread: On 31 December 2008 5.39%
Permissible Spread: On 31 December 2008 5.70%
Gross Annual Estimated Dividend Yield: On 31 December 2008 0.00%
Income Distribution Dates: 28 February

Far East Fund

Date Established: 6 June 1984
Accounting Dates: 31 December
Distribution Dates: 28 February
Pricing Currency: US Dollars
Actual Bid/ Offer Spread: On 31 December 2008 5.80%
Permissible Spread: On 31 December 2008 6.15%
Gross Annual Estimated Dividend Yield: On 31 December 2008 0.00%
Income Distribution Dates: 28 February

Allied Dunbar International Funds Limited

Board of Directors:

Paul John David Quirk, MBA, FIA.
Christopher James Tunley F.C.I.B., M.I.M.
Peter James Scott Hammonds, FCIS, MSc,
MBA.
Linda Muirhead, MCIBS.
Maurizio Busti, INA.

Registered office:

43-51 Athol Street
Douglas
Isle of Man, IM99 1ET, British Isles
Registered in the Isle of Man Number 24161C

Manager and Registrar:

Allied Dunbar International Fund Managers
Limited
Registered office:
43-51 Athol Street
Douglas
Isle of Man, IM99 1ET, British Isles
Registered in the Isle of Man Number 23846C
Telephone: (01624) 661551

Auditors:

Pricewaterhouse Coopers LP
Chartered Accountants
Sixty Circular Road
Douglas
Isle of Man, IM1 1SA, British Isles

Secretary:

Paul Andrew Nolan, FCCA, MBA.

Fiduciary Custodian:

BNP Paribas Trust Company (IOM) Limited
Merchants House
24 North Quay
Douglas
IM1 4LE
British Isles

Investment Manager:

Threadneedle Asset Management Limited
60 St Mary Axe
London
EC3A 8JQ, United Kingdom

Legal Adviser:

Cains
15-19 Athol Street
Douglas
Isle of Man, IM1 1LB, British Isles

By its consideration or acceptance of an application for any service or product the Allied Dunbar International group of companies neither offer nor imply any guarantee as to the efficacy of the investment or transaction in term of the law of any country. It is for the applicant to satisfy him/herself concerning the effects non-UK/Manx law, practice, taxation, or exchange control regulations may have upon his or her personal investment or the taking up of any offer of banking, investment practice or service made by the Allied Dunbar International group of companies.

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Registered in the Isle of Man: Number 23846C.

This document was revised in July 2009.

Appendix 1, Eligible securities markets

All funds may deal through securities markets established in Member States of the European Union on which transferable securities admitted to official listing in the Member State are dealt in or traded. The market must also be within the investment objectives of the relevant fund. The composition of EU members may change from time to time and any new members will be deemed to be automatically included in this category.

Current EU markets are as follows:

Country	Eligible Markets	
Austria	Vienna SE	Austrian Futures and Option Exchanges
Belgium	Brussels SE	Belgian Futures Market
Cyprus	Cyprus SE	
Czech Republic	Prague SE	
Denmark	Copenhagen SE	Copenhagen SE including FUTOP
Estonia	Tallinn SE	(OMX)
Finland	Helsinki SE	Finnish Options Market
Greece	Athens SE	
France Second Marche of any Stock Exchange on which transferable securities are admitted to official listings	Paris SE	Paris SE MATIF MONEP
Germany	German SE	Deutsche Terminbourse (DTE)
Greece	Athens SE	
Ireland	Irish SE	Irish Futures Market
Italy	Italian SE	Italian Futures Markets
Latvia	Riga SE	(OMX)
Lithuania	National SE of Lithuania	
Luxembourg	Luxembourg SE	
Malta	Malta SE	
Netherlands	Amsterdam SE	Financiele Termijomarket Amsterdam
Poland	Warsaw SE	
Portugal	Lisbon SE	
Slovakia	Bratislava SE	
Slovenia	Ljubljana SE Inc	

Spain	Madrid SE Barcelona SE Bilboa SE Valencia SE	Madrid Future and Options Market Barcelona Futures and Options Market
Sweden	Stockholm SE	Swedish Options Market
United Kingdom	London SE Alternative Investment Market Tradepoint Limited Grey Book Market	London Int. Financial Futures EX OMLX

In addition, the following funds may deal through the following securities markets:

North American Growth fund	USA	Any Exchanges recognised by the Securities and Exchange Commission
Europe fund	Switzerland	Geneva SE, Basle SE, Berne SE, Zurich SE, Swiss Options and Exchange (SOFFEX), DME, FTA, COMEX, CBOE
	Norway	Oslo SE
Far East fund	Japan	Tokyo SE, Sapporo SE, Niigata SE, Nagoya SE, Osaka SE and Futures Market, Kyoto SE, Hiroshima SE, Fukuoka SE, Tokyo Int. Financial Futures and Exchange, DME, CME, SIMEX.
	Korea	Korea SE
	Philippines	Philippines SE (Manila and Makati trading floors)
	New Zealand	Wellington SE and Futures Options Exchange
	Thailand	SE of Thailand
	Hong Kong	Hong Kong SE, Hong Kong Futures Exchanges
	Malaysia	Kuala Lumpur SE
	Indonesia	Jakarta SE
	Singapore	Singapore SE, Singapore Int. Monetary Exchange
Australia	Australian SE, Sydney Futures Exchange	

	Taiwan	Taiwan SE (TSE)
Worldwide Equity fund and Managed fund	All Stock Exchange in 1,2 and 3 above plus the following:- Mexico Canada South Africa Brazil India	 Mexican SE, Bolsa Mexicana de Valores Alberta SE, Montreal SE, Vancouver SE, Toronto SE Johannesburg SE, The South African Futures Exchange Sao Paulo SE (BOVESPA) Bombay SE Taiwan

Appendix 2, Fund objectives

Managed Fund

Investment Policy

To invest primarily for capital growth from a balanced and managed portfolio of asset types in various economies

Types of Investment

Investments are held primarily in equity and fixed interest stock markets of the major economies, but may also be held indirectly through other permitted investments such as unit trusts, investment trusts and convertible securities as circumstances warrant and as permitted by the Regulations.

Exposure to individual regions or economies will generally reflect relative levels of market capitalization. Consequently, a relatively large proportion of the Investment Fund may consist of investments in the North American market.

Limited sales and purchases of investments may be made through options and financial futures, whilst bearing in mind the investment policy of the Investment Fund and Regulations.

It must be remembered that the price of Shares and the income from them can go down as well as up.

Suitability

This is the most suitable Investment Fund for the majority of investors looking to build up a professionally managed spread of investments over the medium to long term. The assets within this Investment Fund are varied in the light of changing investment conditions with a view to giving the best chance of real growth.

The significant virtue of this Investment Fund for most investors is that decisions on investment sectors, timing and liquidity are left to the Manager. If he wishes, the investor "can buy and forget", until he decides to realise his investment.

Fund Size

The value of the property (on an offer price basis) of this Investment Fund on 31 December 2008 USD 81,753,698.41

Worldwide Equity Fund

Investment Policy

To invest primarily for capital growth in a portfolio of international equities.

Types of Investment

Investments are made principally for prospects of capital growth in international stocks, generally in shares of leading companies, but also indirectly may be made through other types of permitted investment such as unit trusts, investment trusts, convertible securities, traded options, warrants, fixed interest securities and other media as circumstances warrant and as permitted by the Regulations.

Exposure to individual regions or economies will generally reflect relative levels of market capitalisation. Consequently, a relatively large proportion of the Investment Fund may consist of investments in the North American market.

It must be remembered that the price of Shares and the income from them can go down as well as up.

Suitability

This Investment Fund is suitable for investors wishing to participate for the medium to long term in a professionally managed spread of equity investments. Equity investments constitute risk capital for industry, and as such, values may rise or fall with changing circumstances. This Fund is therefore appropriate for investors wishing to obtain the higher long-term returns which can be associated with risk capital.

Fund Size

The value of the property (on an offer price basis) of this Investment Fund on 31 December 2008 was approximately USD 42,849,644.52

Appendix 2, Fund objectives

Managed Currency Fund

Investment Policy

To invest in a portfolio of short term fixed interest investments.

Types of investment

The majority of the Fund is invested in short dated bonds and interest bearing time deposits, and is earning the higher rates of interest not normally available to the individual investor. Investments may be made in all forms of money market instrument which are normally held to maturity, and in any currency where the projected return over the life of the investment is attractive. The Fund will normally have a bias towards US Dollar denominated assets.

Limited sales and purchases of currencies may be made through options and the forward and financial futures markets whilst bearing in mind the investment policy of the Fund, the Fund size and the Regulations.

It must be remembered that the price of Shares and the income from them can go down as well as up.

Suitability

The Fund is suitable for both UK and expatriate investors wishing to build a portfolio of assets over the medium to long term, who are able to accept the risk inherent in a portfolio of short dated investments in various currencies. Short-term movements and exchange rates may be significant and volatile, and relate not only to fundamental, but also to technical and speculative factors. The Fund therefore represents a potentially highly volatile but high reward investment vehicle. The element of potential risk makes it inadvisable to use this Fund in isolation.

Fund Size

The value of the property (on an offer price basis) of this Investment Fund on 31 December 2008 was approximately USD2,149,928.68

Gilt and Income Fund

Investment Policy

To achieve a high total return with limited capital risk from a portfolio of sterling-denominated fixed interest investments and money market assets.

Types of Investment

All assets are sterling denominated. Investments are primarily in Eurosterling Bonds and those UK Government Securities (gilt edged stock) which can pay income free of UK withholding tax to the Fund, and in bank deposits. As market conditions justify, investments may be made in other appropriate assets as permitted by the Regulations.

Limited sales and purchases of fixed interest securities may be made through options and financial futures, whilst bearing in mind the investment policy of the Fund and the Regulations.

It must be remembered that the price of Shares and the income from them can go down as well as up.

Suitability

This Investment fund is suitable for expatriates and other investors placing a premium on stability of sterling values over high performance and wishing to invest for the short to medium term.

It should be noted that gilt-edged and other fixed interest stocks do not have fixed capital values, so that although they are far less volatile historically than equity shares, their values fluctuate depending on the prevailing interest rate climate: the usual situation is that if interest rates fall then capital values will rise, and vice versa.

Fund Size

The value of the property (on an offer price basis of this Investment Fund on 31 December 2008 was approximately £25,887,752.72

Appendix 2, Fund objectives

North America Growth Fund

Investment Policy

To invest primarily for capital growth in a portfolio of equities based in North America

Types of Investment

Investments are made for capital growth, primarily in shares of leading companies, but may also be held indirectly through other types of permitted investment such as unit trusts, investment trusts, convertible securities, traded options, warrants, fixed interest securities and other media as circumstances warrant and as permitted by the Regulations.

It must be remembered that the price of Shares and the income from them can go down as well as up.

Suitability

This Investment Fund has all the general attributes of funds in equities, but gives specific exposure to the North American market. It is therefore suitable for those investors looking for real growth over the longer term, which an investment in the North American equity market may provide and who are prepared to accept short term price fluctuations.

Fund Size

The value of the property (on an offer price basis) of this Investment Fund on 31 December 2008 was approximately USD 95,712,650.02

Far East Fund

Investment Policy

To invest primarily for capital growth from a portfolio of equities in the principal Far Eastern and Asian markets.

Types of Investment

Investments are made for capital growth, primarily in shares of leading companies, but also may be held indirectly through other types permitted by investment such as unit trusts, investment trusts, convertible securities, traded options, warrants, fixed interest securities and other media as circumstances warrant and as permitted by the Regulations. Investments may be held in any approved Far Eastern market.

Exposure to individual economies will generally reflect relative level of market capitalisation. Consequently, a relatively large proportion of the Investment Fund may consist of investments in the Japanese market.

It must be remembered that the price of Shares and the income from them can go down as well as up.

Suitability

This Investment Fund has all the general attributes of funds in equities, but gives specific exposure to Far East markets. The Investment Fund is therefore suitable for those investors looking for real growth over the long term, which an investment in Far Eastern equity markets may provide, and who are prepared to accept short-term price fluctuations.

Fund Size

The value of the property (on an offer basis) of this Investment Fund on 31 December 2008 was approximately USD 12,558,162.01

Appendix 2, Fund objectives

UK Capital Growth Fund

Investment Policy

To invest primarily for capital growth from a portfolio of equities based in the United Kingdom

Types of Investment

Investments are made for capital growth, primarily in shares of leading companies, but also may be made indirectly through other types of permitted investment such as unit trusts, investment trusts, convertible securities, traded options, warrants and also through fixed interest securities and other media as circumstances warrant and as permitted by the Regulations.

It must be remembered that the price of Shares and the income from them, can go down as well as up.

Suitability

This Investment Fund has all the general attributes of funds in equities, but gives specific exposure to the UK market. It is therefore suitable for those investors, looking for real growth over the longer term, which an investment in the UK equity markets may provide and who are prepared to accept short-term price fluctuations.

Fund Size

The value of the property (on an offer price basis) of this Investment Fund on 31 December 2008 was approximately £43,821,694.59

Europe Fund

Investment Policy

To invest primarily for capital growth from a portfolio of European equities.

Types of Investment

Investments are made principally for prospects of capital growth in Continental European stocks, generally in shares of leading European companies, but also may be made indirectly through other types of permitted investment such as unit trusts, investment trusts, convertible securities, traded options, warrants, fixed interest securities and other media as circumstances warrant and as permitted by the Regulations.

It must be remembered that the price of Shares and the income from them, can go down as well as up.

Suitability

This Investment Fund is suitable for investors wishing to participate for the medium to long term in a professionally managed spread of equity investment based in Continental Europe. Equity investment constitutes risk capital for industry, and as such, values may rise or fall with changing circumstances. The Investment Fund is therefore appropriate for those investors wishing to obtain exposure to a portfolio of European shares in order to achieve the higher long term returns which can be associated with risk capital.

Fund size

The value of the property (on an offer price basis) of this Investment Fund on 31 December 2008 was approximately €34,168,420.43