

The Directors of the Manager of the Fund whose names appear on page 3 accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors of the Manager of the Fund (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information and the Directors of the Manager of the Fund accept responsibility accordingly.

HAMON ASIAN FUNDS

**A unit trust established in Ireland as an undertaking for collective investment
in transferable securities and regulated pursuant to the European Communities
(Undertakings for Collective Investment in Transferable Securities)
Regulations, 2003, as amended
(An Umbrella Fund)**

PROSPECTUS

for the

ASIAN MARKET LEADERS FUND

HAMON GREATER CHINA FUND

(each a “Sub-Fund” and together “the Sub-Funds”)

Dated 16 January 2008

The USD Class Units of Asian Market Leaders Fund were admitted to listing on the Irish Stock Exchange on 22nd December 1995. The Directors do not expect that an active secondary market will develop in the USD Class Units. No application has been made for the USD Class Units to be listed on any other stock exchange.

Distribution of this document is not authorised unless it is accompanied by a copy of the latest annual report of each of the Sub-Funds and, if published thereafter, the latest half-yearly report. Such reports will form part of this Prospectus.

Neither the admission of Units of the Fund to listing on the Official List and trading on the Main Market of the Irish Stock Exchange nor the approval of the Prospectus pursuant to the listing requirements of the Irish Stock Exchange shall constitute a warranty or representation by the Irish Stock Exchange as to the competence of service providers to or any other party connected with the Fund, the adequacy of information contained in the Prospectus or the suitability of the Fund for investment purposes.

This Prospectus comprises the listing particulars for the purpose of listing the Units on the Irish Stock Exchange.

THIS DOCUMENT IS IMPORTANT

THIS DOCUMENT CONTAINS IMPORTANT INFORMATION ABOUT THE FUND AND SHOULD BE READ CAREFULLY BEFORE INVESTING. IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENTS OF THIS PROSPECTUS YOU SHOULD CONSULT YOUR BANK MANAGER, LEGAL ADVISOR, ACCOUNTANT OR OTHER FINANCIAL ADVISOR.

A redemption fee of up to 1 per cent of the repurchase price may be charged by the Manager on the repurchase of any Units redeemed within a period of twelve months from the Units being issued.

Certain terms used in this Prospectus are defined on pages 7 to 9 of this document.

The Fund is authorised by the Financial Regulator as a UCITS within the meaning of the Regulations. The authorisation of the Fund is not an endorsement or guarantee of the Fund by the Financial Regulator nor is the Financial Regulator responsible for the contents of this Prospectus. The authorisation of the Fund by the Financial Regulator shall not constitute a warranty as to the performance of the Fund and the Financial Regulator shall not be liable for the performance or default of the Fund.

It should be appreciated that the value of the Units and the income from them may go down as well as up and accordingly an investor may not get back the full amount invested. It is recommended that an investment in a Sub-Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. Investors' attention is drawn to the specific risk factors set out on pages 16 and 17.

The distribution of this Prospectus and the offering or purchase of the Units may be restricted in certain jurisdictions. No persons receiving a copy of this Prospectus or any accompanying application form in any such jurisdiction may treat this Prospectus or such application form as constituting an invitation to them to subscribe for Units, nor should they in any event use any such application form, unless in the relevant jurisdiction such an invitation could lawfully be made to them and such application form could lawfully be used without compliance with any registration or other legal requirements. Accordingly, this Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation. It is the responsibility of any persons in possession of this Prospectus and any persons wishing to apply for Units pursuant to this Prospectus to inform themselves of and to observe all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Units should inform themselves as to the legal requirements of so applying and as to any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence or domicile.

THE UNITS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND UNLESS AUTHORISED BY THE MANAGER MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES TO OR FOR THE ACCOUNT OF A U.S. PERSON. NEITHER ASIAN MARKET LEADERS FUND NOR ANY SUB-FUND HAS BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED.

Applicants will be required to certify that they are neither unauthorised U.S. Persons Irish Residents nor ordinarily Irish resident for tax purposes.

As at the date of this Prospectus, neither the Fund nor the Sub-Funds has any outstanding mortgages, charges, debentures or other borrowings, including bank overdrafts and liabilities made under acceptance credits obligations made under finance leases, hire purchase commitment, guarantees or other contingent liabilities.

Units are offered only on the basis of the information contained in the current Prospectus and the latest audited annual accounts and any subsequent half-yearly report. Potential investors should be aware that the auditor's report on the annual accounts is made solely to the Unitholders as a body and not to potential investors.

The Manager maintains facilities in the United Kingdom at the address given below to facilitate Unitholders on matters such as the inspection of the Trust Deed and the Prospectus, obtaining information in English about prices of Units and for the arrangements for the repurchase of Units. In addition, any person who has a complaint to make about the operation of the Fund can submit his complaint in writing to the address given below for transmission to the Board of Directors of the Manager.

BNYMellon
Financial Services Centre
160 Queen Victoria Street
London EC4V 4LA
United Kingdom

In addition, any UK investor may inspect (free of charge) and/or may obtain copies in English of the following (free of charge in the case of documents (b) and (c) below and otherwise at a reasonable charge): (a) the Trust Deed and any amendments thereto (b) the latest Prospectus (c) the Simplified Prospectuses and (d) the latest annual and half-yearly reports.

Any further information or representation given or made by any dealer, salesman or other person should be disregarded and accordingly should not be relied upon.

Statements made in this Prospectus are based on the law and practice currently in force in Ireland and are subject to changes therein.

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

This Prospectus should be read in its entirety before making an application for Units.

HAMON ASIAN FUNDS

Manager

Hamon Ireland Limited
25/28 North Wall Quay,
International Financial Services Centre,
Dublin 1,
Ireland

Board of Directors of the Manager

Mr. Jim Cleary
Mr. Michael Kirby
Mr. Hugh A. Simon

Investment Advisor and Promoter

Hamon Asset Management Limited
3510-3515 Jardine House,
1 Connaught Place, Central,
Hong Kong

Administrator

BNY Fund Services (Ireland) Limited
Guild House,
Guild Street,
International Financial Services Centre,
Dublin 1,
Ireland

Trustee

BNY Trust Company (Ireland) Limited
Guild House,
Guild Street,
International Financial Services Centre,
Dublin 1,
Ireland

Distribution Agents

TSC-Hourigan Asset Management Ltd
P.O. Box 957,
Offshore Incorporations Centre,
Road Town, Tortola,
British Virgin Islands

Mellon Global Investments Limited
160 Queen Victoria Street,
London EC4V 4LA,
United Kingdom

Legal Advisors in Austria

Freshfields Bruckhaus Deringer,
Seilergasse 16,
A-1010 Vienna,
Austria

Auditors

PricewaterhouseCoopers
Chartered Accountants,
George's Quay,
Dublin 2,
Ireland

Legal Advisors in Ireland

A&L Goodbody Solicitors
25-28 North Wall Quay,
International Financial Services Centre,
Dublin 1,
Ireland

Legal Advisors in Hong Kong

Herbert Smith
23rd Floor, Gloucester Tower,
11 Pedder Street, Central,
Hong Kong

Sponsoring Broker

A&L Listing
25-28 North Wall Quay,
International Financial Services Centre,
Dublin 1,
Ireland

Hong Kong Representative

The Bank of East Asia Limited
32nd Floor, BEA Tower, Millennium City 5,
418 Kwun Tong Road, Kwun Tong,
Kowloon,
Hong Kong

Formal Paying and Information

Agent and Tax Representative in Austria
Raiffeisen Zentralbank Österreich Aktiengesellschaft
Am Stadtpark 9,
A-1030 Vienna,
Austria

Swiss Representative

First Independent Fund Services
Klausstrasse 33,
CH-8008 Zurich,
Switzerland

Swiss Paying Agent

NPB New Private Bank Ltd.
Limmatquai 122,
P.O. Box,
CH-8022 Zurich,
Switzerland

Legal Advisors in Switzerland

Naegeli & Partners, Attorneys at Law
Klausstrasse 33,
CH-8008 Zurich,
Switzerland

Paying and Information Agent in Germany

Marcard, Stein & Co AG
Ballindamm 36, 20095 Hamburg,
Germany

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DEFINITIONS

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

“Administrator”	means BNY Fund Services (Ireland) Limited;
“Business Day”	means a day (excluding Saturday and Sunday) on which banks are open for business in Dublin, Hong Kong and New York;
“CHF”	means Swiss Francs, the lawful currency of Switzerland;
“Connected Persons”	in relation to a company means: <ul style="list-style-type: none">(a) any person or company beneficially owning, directly or indirectly, 20 per cent or more of the ordinary share capital of that company or able to exercise, directly or indirectly, 20 per cent or more of the total votes in that company; or(b) any person or company controlled by a person who or which meets one or both of the descriptions given in (a); or(c) any member of the group of which that company forms part; or(d) any director or officer of that company or of any of its connected persons as defined in (a), (b) or (c);
“Dealing Day”	means every Business Day or such other days as the Directors from time to time may determine, provided that there shall be at least two Dealing Days in each month for each Sub-Fund;
“Directors”	means the directors of the Manager for the time being and any duly constituted committee thereof;
“Distribution Agent”	means such distributor or distributors as may from time to time be appointed by the Manager;
“Eligible Collective Investment Schemes”	means: <ul style="list-style-type: none">(a) any UCITS;(b) schemes established in Guernsey and authorised as Class A Schemes;(c) schemes established in Jersey as recognised funds;(d) schemes established in the Isle of Man as authorised schemes;(e) non-UCITS schemes authorised in the EU, the EEA, the U.S., Jersey, Guernsey or the Isle of Man which comply, in all material respects, with the provisions of the UCITS notices issued by the Financial Regulator;
“EU”	means the European Union;
“Euro”, “euro” or “€”	means the unit of the single European currency;
“Financial Regulator”	means the Irish Financial Services Regulatory Authority;
“Fund”	means Hamon Asian Funds;
“Former Trustee”	means HSBC Institutional Trust Services (Ireland) Limited;
“Hong Kong Representative”	The Bank of East Asia, Limited

“Initial Offer Period”	means the period during which Units in a Sub-Fund are initially offered at the Initial Subscription Price as detailed in the section, Key Information for Buying and Selling of Units, of the relevant Sub-Fund;
“Initial Subscription Price”	means the price (excluding any Upfront Commission charge) per Unit at which Units are initially offered in a Sub-Fund during the Initial Offer Period as detailed in the section, Key Information for Buying and Selling of Units, of the relevant Sub-Fund;
“Investment Advisor”	means Hamon Asset Management Limited;
“Irish Resident”	means, unless otherwise determined by the Directors, any person resident or ordinarily resident in Ireland other than a person who is permitted to own Units under taxation legislation in Ireland or by practice or concession of the Revenue Commissioners of Ireland without prejudicing the tax status of the Fund or rendering the Fund liable to account for tax in Ireland in the event that such a person were to receive a distribution in respect of the Units or to dispose of the Units;
“Manager”	means Hamon Ireland Limited;
“Official List”	means the Official List of the Irish Stock Exchange trading on the Main Market of the Exchange.
“Promoter”	means Hamon Asset Management Limited;
“Regulated Market”	means any stock exchange or regulated market which is set out in Schedule I;
“Regulations”	means the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003, as amended or any amendment thereto for the time being in force and any rules from time to time adopted by the Financial Regulator pursuant thereto which rules are referred to as the Financial Regulator Notices;
“Relevant Institution”	means an EU credit institution, a credit institution authorised in a member state of the European Economic Area (“EEA”) (EU Member State, Norway, Iceland, Liechtenstein), a credit institution authorised within a signatory state other than an EU member state or member state of the EEA, to the Basel Capital Convergence Agreement of July 1988 (Switzerland, Canada, Japan, United States of America), or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand;
“SEC”	means the Securities and Exchanges Commission of the U.S.;
“Settlement Date”	means in respect of receipt of monies for subscription of Units or dispatch of monies for the repurchase of Units, the date as set out in the details of the relevant Sub-Fund.
“Sterling Class Unit”	means the Sterling denominated class of Units of any of the Sub-Funds;
“Sub-Fund”	means any sub-fund of the Fund including Asian Market Leaders Fund and Hamon Greater China Fund and any future sub-funds which may be established from time to time in accordance with the Financial Regulator’s requirements;
“Trust Deed”	means the Trust Deed dated 22nd November, 1995 between the Manager and the Former Trustee as amended by the First Supplemental Trust Deed dated 18th December, 1995, the Second Supplemental Trust Deed dated 22nd July, 1996, the Third Supplemental Trust Deed dated 31st March, 1998, the Fourth Supplemental Trust Deed dated 14th April, 2000, the Fifth Supplemental Trust Deed dated 25th October, 2000, the Sixth Supplemental Trust Deed dated 27th

September, 2004, the Seventh Supplemental Trust Deed dated 5th February 2007 and the Eighth Supplemental Trust Deed – Deed of Retirement and Appointment of Trustee dated 16 January 2008 between the Manager, the Former Trustee and the Trustee;

“Trustee”	means BNY Trust Company (Ireland) Limited;
“UCITS”	means an Undertaking for Collective Investment in Transferable Securities established pursuant to the Regulations;
“Unitholder”	means any person holding Units in any of the Sub-Funds;
“Unit”	means the Sterling Class Unit and USD Class Units, as applicable, in any of the Sub-Funds;
“United States” or “U.S.”	means the United States of America (including the States and the District of Columbia), its territories, possessions and all other areas subject to its jurisdiction;
“Upfront Commission”	means an initial subscription fee of up to 5 per cent of the amount subscribed payable by Unitholders to the Manager to compensate any Distribution Agent for distributing the Units of the Fund;
“USD Class Unit”	means the U.S. Dollar denominated class of Units in any of the Sub-Funds;
“U.S Dollar” or “US\$”	means the lawful currency of the U.S.;
“U.S. Person”	means, unless otherwise determined by the Manager, a person resident in the U.S., a corporation, partnership or other entity created or organised in or under the laws of the U.S. or any estate or trust the income of which is subject to U.S. federal income taxation regardless of its source;
“Valuation Point”	means 11.00 a.m. (Irish time) on the Dealing Day.

THE FUND

Introduction

The Fund is a unit trust established as a UCITS under the Regulations and constituted by the Trust Deed. The Fund was authorised on 23rd November, 1995 and is regulated by the Financial Regulator pursuant to the Regulations. **Authorisation by the Financial Regulator does not constitute a warranty by the Financial Regulator as to the performance of the Fund and the Financial Regulator shall not be liable for the performance or default of the Fund.**

The Fund is organised in the form of an umbrella fund. The Trust Deed provides that the Manager from time to time, with the approval of the Financial Regulator, may procure the issue of separate classes of units representing interests in defined portfolios of assets and liabilities, each constituting a Sub-Fund. A Sub-Fund may comprise of one or more classes of Units denominated in different currencies. The issue of additional classes of Units in a Sub-Fund shall be notified to, and cleared in advance by, the Financial Regulator. A separate pool of assets will be maintained for each Sub-Fund but not for each class.

This Prospectus relates to the Asian Market Leaders Fund and the Hamon Greater China Fund (each a “Sub-Fund”).

The investment objective and policies of each of the Sub-Funds is set out below. Any change in investment objective and any material changes in the investment policies will be subject to Unitholders' approval and the approval of the Financial Regulator. In the event of a change of the investment objective and/or a material change to the investment policies a reasonable notification period will be provided to Unitholders by the Manager of the Trust to enable Unitholders redeem their Units prior to implementation of such changes.

ASIAN MARKET LEADERS FUND

Investment Rationale

Asian Market Leaders Fund's investment objective and policies reflect the Investment Advisor's opinion that the Asian region as a whole will grow at a faster rate in the next decade than any other region in the world. Increasing levels of domestic consumption in conjunction with continued export competitiveness will fuel this growth. The Investment Advisor further believes that companies most likely to benefit from the wealth creation occurring in Asia and exhibit stable and sustained earnings expansion themselves will be those with a strong or dominant market position in those expanding economies, namely Asian “blue chip” stocks.

Asian “blue chip” companies are those which are emerging or have emerged as business leaders in the Asian region. These well established companies have exhibited, in the opinion of the Investment Advisor, the ability to manage change successfully and opportunistically and have the proven capacity to withstand earnings volatility. Professional management structures also contribute to the stability of these companies and the expertise gained from the process of attaining market leadership finds applicability in developing new business and entering other markets.

Investment Objective and Policies

The investment objective of the Sub-Fund is long-term capital appreciation which it seeks to achieve by investing at least two thirds of its total assets in listed equity securities of companies domiciled in, or exercising the predominant part of their economic activities in, Asia. The generation of dividend and interest income is not the prime consideration of the Investment Advisor.

The Investment Advisor intends to select the Sub-Fund's investments from most of the Regulated Markets in the Asian region, including Hong Kong, China, South Korea, Taiwan, Singapore, Thailand, Malaysia, Indonesia, the Philippines and India. The Trust Deed does not impose any requirements as to the geographical spread of the Fund's investments. Furthermore, the Investment Advisor's view of the appropriate degree of geographical diversification of investments will vary depending on the market and economic conditions prevailing from time to time. Investors should not, therefore, assume that the assets of the Sub-Fund will at all times include investments from every country in the Asian region.

The Investment Advisor will seek out and invest in companies that it believes meet the necessary criteria and offer the best opportunities to meet the Fund's investment objectives. These criteria will include but not be limited to strong market positions, well defined and sustainable competitive advantages, solid and reputable management and the ability to manage change. In selecting stocks and making asset allocations, the Investment Advisor will undertake fundamental economic and financial analysis to target sectors which it believes will outperform the economy, within which it will attempt to select stocks. The experience and expertise obtained by the Investment Advisor in the Asian equity markets should, in the opinion of the Directors, enhance the Fund's potential for substantial long-term capital appreciation. There is no assurance, however, that the Investment Advisor will be able to identify and invest in companies that will meet the Sub-Fund's investment objectives.

The Sub-Fund intends to invest primarily in listed equities; however, the Sub-Fund may invest up to 5 per cent of its net assets in Eligible Collective Investment Schemes with investment policies similar to the Fund and may also invest up to 5 per cent of its net assets in convertible securities, bonds with warrants and depositary receipts issued by leading Asian companies. The Sub-Fund may invest up to 5 per cent of its net assets in warrants.

Such instruments will be typically listed and traded on either the Hong Kong Stock Exchange or the Luxembourg Stock Exchange. However, the Sub-Fund may consider investing in such instruments in other countries in which it is eligible to invest. The Fund may also invest up to 10 per cent of its net assets in companies based outside the Asian region, whose products enjoy strong positions in the Asian markets and which derive a significant portion of revenues from Asia.

Use will be made of cash and cash equivalents pending investment of subscription proceeds in accordance with the Fund's investment objectives and policies. When the Investment Advisor believes the Fund should follow a temporary defensive posture or where market conditions necessitate, the Fund may hold ancillary liquid assets.

Distribution Policy

Save as is set out below at present, it is not proposed to declare a distribution on the USD Class Units in the Sub-Fund and any net income (whether in the form of dividend, interest or otherwise) received by the Sub-Fund shall be accumulated and reinvested according to the objectives of the Sub-Fund. However, to the extent that a dividend may be paid, such dividend will be paid in compliance with any applicable laws of Irish Stock Exchange regulations and in accordance with the provisions of the Trust Deed.

In relation to Sterling Class Units, the Manager intends to declare a distribution so as to enable the Sub-Fund to be certified for UK Distributor Status purposes and as such the Manager may at its discretion declare all net income of the Sub-Fund attributable to Sterling Class Units as a dividend to the Unitholders of the class of unit. The Manager intends to declare a dividend as at the Sub-Fund's year end of 31 December in each year and these dividends will be paid by 30 June after the year end in respect of which the dividend has been declared.

Any dividends on the Sterling Class Units shall be paid into an account in the name of the Trustee for the accounts of the relevant Unitholders. The amount standing to the credit of this account shall not be an asset of the Sub-Fund and will be immediately transferred, pursuant to a standing instruction, from the aforementioned account to an account of the Sub-Fund and will be used to issue to the additional Units to the relevant Unitholders.

Additional Units will be issued to the Unitholders on the same day if it is a Dealing Day, or if not, on the next Dealing Day at a price calculated in the same way as for other issues of the relevant class of Units on this date but without incurring any Upfront Commission. There is no minimum of such further Units which may be so subscribed.

Any dividend unclaimed for six years from the date of declaration of such dividend shall be forfeited and shall revert to the relevant Sub-Fund.

Classes of Units in the Sub-Fund

As stated above, a Sub-Fund may comprise of one or more classes of Units denominated in different currencies.

Key information for Buying and Selling of Units

Unit Classes	USD Class Unit	Sterling Class Unit
Base Currency	U.S. Dollar	Sterling
Business Day	See “Definitions” section above.	See “Definitions” section above.
Dealing Day	See “Definitions” section above.	See “Definitions” section above.
Dealing Deadline (in respect of subscriptions)	10am (Irish time) on any Dealing Day	10am (Irish time) on any Dealing Day
Dealing Deadline (in respect of redemptions)	10am (Irish time) on the second Business Day prior to the Dealing Day	10am (Irish time) on the second Business Day prior to the Dealing Day
Initial Offer Period	N/A	N/A
Initial Subscription Price	N/A	N/A
upfront commission	Up to 5%	Up to 5%
Redemption Charge	Up to 1%	Up to 1%
Settlement Date (in respect of Subscriptions)	Three Business Days after the relevant Dealing Day	Three Business Days after the relevant Dealing Day
Settlement Date (in respect of Redemptions)	Up to ten Business Days after the relevant Dealing Day	Up to ten Business Days after the relevant Dealing Day
Minimum Initial Investment Amount	\$1,000	£1,000
Minimum Additional Investment Amount	\$1,000	£1,000

Listing

Application was made to the Irish Stock Exchange for the USD Class Units of the Asian Market Leaders Fund issued and available for issue to be admitted to the Official List of the Irish Stock Exchange. The USD Class Units were initially offered at US\$10 during the initial offer period which ran from 27 November 1995 to 15 December 1995 and were admitted to the Official List on the 22 December 1995. The Directors do not expect that an active secondary market will develop in the USD Class Units. No application has been made to list the USD Class Units on any other exchange.

Application was made to the Irish Stock Exchange for the Sterling Class Units of the Sub-Fund issued and available for issue to be admitted to the Official List. The Sterling Class Units were admitted to the Official List and dealings in the Sterling Class Units of the Sub-Fund commenced on or about 23 November 2007. The Directors do not expect that an active secondary market will develop in the Sterling Class Units. No application has been made to list the Sterling Class Units on any other exchange.

HAMON GREATER CHINA FUND

Investment Rationale

Hamon Greater China Fund’s investment objective and policies reflect the Investment Advisor’s opinion that many opportunities arise from the economic growth in Greater China region with rising employment, urbanization, infrastructure spending and business restructuring.

Accordingly the Investment Advisor aims to provide investors with exposure to exciting opportunities in domestic economy such as consumption, infrastructure and financial. The Sub-Fund will invest in a focused portfolio of companies in Greater China region, rather than be driven by an index or market capitalisation.

Investment Objective and Policies

The investment objective of the Sub-Fund is to achieve long-term capital appreciation which it seeks to achieve by investing at least two thirds of its total assets in securities of companies domiciled in or exercising the predominant part of their economic activities in Greater China region including China, Taiwan, Singapore and Hong Kong and the remaining assets will be invested in securities issued by companies in other Asian regions.

The Sub-Fund intends to invest primarily in listed equities, however, the Sub-Fund may also invest up to 5% of its net assets in convertible securities, depositary receipts and up to 5% of its net assets in warrants, including bonds with warrants, all issued by leading companies in the Greater China region.

Such instruments will be typically listed and traded on the Hong Kong Stock Exchange, the Luxembourg Stock Exchange, the Singapore Stock Exchange, the Taiwan Stock Exchange or, in respect of American depositary shares, on the New York Stock Exchange or NASDAQ. However, the Sub-Fund may consider investing in such instruments in other countries in which it is eligible to invest. The Sub-Fund may also invest up to 10% of its net assets in companies based outside the Greater China region, whose products enjoy strong positions in the Greater China region and which derive a significant portion of revenues from Greater China.

The Sub-Fund aims to outperform the benchmark, MSCI Golden Dragon Index, through careful stock selection and being managed by an excellent team of investment professionals. They are experienced fund managers from mainland China, India, Hong Kong and Britain.

The MSCI Golden Dragon Index is a free float weighted equity index made up of equities from China, Hong Kong and Taiwan.

Distribution Policy

Save as is set out below at present, it is not proposed to declare a distribution on the USD Class Units in the Sub-Fund and any net income (whether in the form of dividend, interest or otherwise) received by the Sub-Fund shall be accumulated and reinvested according to the objectives of the Sub-Fund. However, to the extent that a dividend may be paid, such dividend will be paid in compliance with any applicable laws of Irish Stock Exchange regulations and in accordance with the provisions of the Trust Deed.

In relation to Sterling Class Units, the Manager intends to declare a distribution so as to enable the Sub-Fund to be certified for UK Distributor Status purposes and as such the Manager may at its discretion declare all net income of the Sub-Fund attributable to Sterling Class Units as a dividend to the Unitholders of the class of unit. The Manager intends to declare a dividend as at the Sub-Fund's year end of 31 December in each year and these dividends will be paid by 30 June after the year end in respect of which the dividend has been declared.

Any dividends on the Sterling Class Units shall be paid into an account in the name of the Trustee for the accounts of the relevant Unitholders. The amount standing to the credit of this account shall not be an asset of the Sub-Fund and will be immediately transferred, pursuant to a standing instruction, from the aforementioned account to an account of the Sub-Fund and will be used to issue to the additional Units to the relevant Unitholders.

Additional Units will be issued to the Unitholders on the same day if it is a Dealing Day, or if not, on the next Dealing Day at a price calculated in the same way as for other issues of the relevant class of Units on this date but without incurring any Upfront Commission. There is no minimum of such further Units which may be so subscribed.

Any dividend unclaimed for six years from the date of declaration of such dividend shall be forfeited and shall revert to the relevant Sub-Fund.

Classes of Units in the Sub-Fund

As stated above, a Sub-Fund may comprise of one or more classes of Units denominated in different currencies.

Key information for Buying and Selling of Units

Unit Classes	USD Class Unit	Sterling Class Unit
Base Currency	U.S. Dollar	Sterling
Business Day	See “Definitions” section above.	See “Definitions” section above.
Dealing Day	See “Definitions” section above.	See “Definitions” section above.
Dealing Deadline (in respect of subscriptions)	10am (Irish time) on any Dealing Day	10am (Irish time) on any Dealing Day
Dealing Deadline (in respect of redemptions)	10am (Irish time) on the second Business Day prior to the Dealing Day	10am (Irish time) on the second Business Day prior to the Dealing Day
Initial Offer Period	9:00 am on 17 January 2008 to 5:00 pm on 7 March 2008 or such longer or shorter period as the Manager may determine and notify to the Financial Regulator	9:00 am on 17 January 2008 to 5:00 pm on 7 March 2008 or such longer or shorter period as the Manager may determine and notify to the Financial Regulator.
Initial Subscription Price	\$10 per Unit cleared funds must be received by the Administrator before the end of the Initial Offer Period.	The Sterling equivalent of \$10 per Unit cleared funds must be received by the Administrator before the end of the Initial Offer Period.
Upfront Commission	Up to 5%	Up to 5%
Redemption Charge	Up to 1%	Up to 1%
Settlement Date (in respect of Subscriptions)	Three Business Days after the relevant Dealing Day	Three Business Days after the relevant Dealing Day
Settlement Date (in respect of Redemptions)	Up to ten Business Days after the relevant Dealing Day	Up to ten Business Days after the relevant Dealing Day
Minimum Initial Investment Amount	\$1,000	£1,000
Minimum Additional Investment Amount	\$1,000	£1,000

Listing

Application has been made to the Irish Stock Exchange for the USD Class Units and the Sterling Class Units of the Sub-Fund issued and available for issue to be admitted to the Official List. It is expected that the USD Class Units and the Sterling Class Units will be admitted to the Official List and dealings in the USD Class Units and the Sterling Class Units of the Sub-Fund will commence on or about 10 March 2008. The Directors do not expect that an active secondary market will develop in the USD Class Units and the Sterling Class Units. No application has been made to list the USD Class Units and the Sterling Class Units on any other exchange. As at the date hereof the Fund has not issued accounts, nor have any dividends been declared, in respect of the Sub-Fund.

INVESTMENT RESTRICTIONS

The limits on investments shall apply at the time of the purchase of the investments. If these limits are exceeded for reasons beyond the control of the Investment Advisor, the Investment Advisor shall adopt as a priority objective for its sales transactions the remedying of that situation taking due account of the interests of Unitholders. The Manager shall limit the investments of each of the Sub-Funds to investments permitted by the Regulations as outlined in Schedule II.

BORROWINGS

The Fund may not borrow money, grant loans or act as guarantor on behalf of third parties, except as follows:

- (i) foreign currency may be acquired by means of a back-to-back loan; and
- (ii) borrowings not exceeding 10 per cent of the total net assets of the Fund may be made on a temporary basis.

INVESTMENT TECHNIQUES AND INSTRUMENTS

The Investment Advisor may, where the Investment Advisor deems it appropriate in order to pursue the investment objective of the Fund, employ investment techniques and instruments, such as trading in options, futures, swap and currency forward contracts for efficient portfolio management purposes, such as to reduce risk, reduce cost or to generate additional capital or income for a Sub-Fund and for hedging purposes and/or to alter currency exposure, subject to the conditions and within the limits from time to time set forth in Schedule III. New techniques and financial derivative instruments may be developed which may be suitable for use by a Sub-Fund in the future and such techniques and financial derivative instruments may be employed within the limits from time to time set forth in Schedule III. The Fund currently does not use financial derivative instruments. A risk management process will be submitted to and cleared by the Financial Regulator prior to the Fund or any Sub-Fund engaging in such transactions in accordance with the Financial Regulator's requirements as set out in Guidance Note 3/03. Details of the risks associated with derivative instruments, futures and options are set out in the section entitled "Risk Factors" below. The Sub-Funds may each also invest up to 5 per cent of its net assets in warrants, including bonds with warrants.

Forwards: A forward contract locks-in the price an index or asset may be purchased or sold on a future date. In currency forward contracts, the contract holders are obligated to buy or sell the currency at a specified price, at a specified quantity and on a specified future date, whereas an interest rate forward determines an interest rate to be paid or received on an obligation beginning at a start date sometime in the future. Forward contracts may be cash settled between the parties. These contracts cannot be transferred. The Sub-Fund's use of forward foreign exchange contracts may include, but is not be limited to, altering the currency exposure of securities held, hedging against exchange risks, increasing exposure to a currency, and shifting exposure to currency fluctuations from one currency to another.

Futures: The purpose of purchased futures is to serve as a long hedge of the investments of each Sub-Fund. The purpose of sold futures is to serve as a limited short hedge of the investments of each Sub-Fund. Futures may also be used to equitise cash balances, both pending investment of a cash flow and with respect to fixed cash targets

Options: Call options may be purchased by A Sub-Fund (i) to provide exposure to increases in the market (e.g., with respect to temporary cash positions); and (ii) to hedge against an increase in the price of securities or other investments that a Sub-Fund intends to purchase. Put options may be purchased by a Sub-Fund to (i) hedge against a decrease in the market generally; and (ii) hedge against a decrease in the price of securities or other investments held by a Sub-Fund. The purpose behind a Sub-Fund writing covered call options is typically to seek enhanced returns when the Investment Advisor perceives that the option premium offered is in excess of the premium that the Investment Advisor would expect to be offered under existing market conditions, or if the exercise price of the option is in excess of the price that the Investment Advisor expects the security or other underlying investment to reach during the life of the option.

Swaps: A standard swap is an agreement between two counterparties in which the cash flows from two assets are exchanged as they are received for a fixed time period, with the terms initially set so that the present value of the swap is zero. A Sub-Fund may enter into swaps, including, but not limited to, equity swaps, swaptions, total return swaps, interest rate swaps or currency swaps and other derivative instruments both as independent profit opportunities and to hedge existing long positions. Swaps may extend over substantial periods of time, and typically call for the making of payments on a periodic basis. Swaptions are contracts whereby one party receives a fee in return for agreeing to enter into a forward swap at a predetermined fixed rate if some contingency event occurs (normally where future rates are set in relation to a fixed benchmark). Interest rate swaps involve the exchange by a Sub-Fund with another party of their respective commitments to make or receive interest payments (e.g. an exchange of fixed rate payments for floating rate payments). On each payment date under an interest rate swap, the net payments owed by each party, and only the net amount, is paid by one party to the other. Currency swaps are agreements between two parties to exchange future payments in one currency for payments in another

currency. These agreements are used to transform the currency denomination of assets and liabilities. Unlike interest rate swaps, currency swaps must include an exchange of principal at maturity.

Warrants: Warrants afford the option to buy the issuer's equity securities at a specified price (the exercise price) at a specified future date (the expiration date). The designated securities may be bought by paying the exercise price before the expiration date. Warrants may become worthless if the price of the stock does not rise above the exercise price by the expiration date. This increases the market risks of warrants as compared to the underlying security. Rights are the same as warrants, except companies typically issue rights to existing stockholders

The Manager shall supply to a Unitholder on request supplementary information in relation to the risk management methods employed by the Fund including the quantitative risk management limits applied by it, the risk management methods used by it and any recent developments in the risks and yields characteristics for the main categories of investment. A list of the Regulated Markets on which such derivative instruments may be quoted or traded is set out in Schedule I. A description of the current conditions and limits laid down by the Financial Regulator in relation to financial derivative instruments is set out in Schedule III.

The Fund's risk management process is available, upon request, from the registered office of the Manager or the Investment Manager.

RISK FACTORS

It is recommended that an investment in any of the Sub-Funds should not constitute a substantial proportion of an investment portfolio and may be appropriate only for investors maintaining a broad range of investments. **The difference at any one time between the issue and redemption price means that an investment in a Sub-Fund should be for the medium to long-term.** The following are the principal risks which may affect the Sub-Funds but the list does not purport to be exhaustive:-

Investment Risks

The price of the Units may fall as well as rise. There can be no assurance that any of the Sub-Funds will achieve their investment objective or that a Unitholder will recover the full amount invested in a Sub-Fund. The capital return and income of any of the Sub-Funds are based on the capital appreciation and income on the securities it holds, less expenses incurred. Therefore, a Sub-Fund's return may be expected to fluctuate in response to changes in such capital appreciation or income.

Political Risks

The value of a Sub-Fund's assets may be affected by uncertainties such as political developments, changes in government policies, taxation, currency repatriation restrictions and restrictions on foreign investment in some of the countries in which a Sub-Fund may invest.

Currency Risks

As each of the Sub-Fund's investments may be acquired in a wide range of currencies. It is not the intention of the Investment Advisor to use hedging and other techniques and instruments unless deemed appropriate. However, in some circumstances it may not be possible to hedge against the consequent currency risk exposure. The use of class hedging may substantially limit Unitholders in the relevant class from benefiting if the class currency falls against the base currency and/or the currency in which the assets of the sub-fund are denominated.

Liquidity and Settlement Risks

A Sub-Fund will be exposed to a credit risk on parties with whom it trades and will also bear the risk of settlement default. Unitholders in a Sub-Fund should note that some of the markets in which it may invest may be insufficiently liquid or highly volatile from time to time and this may result in fluctuations in the price of the Units in a Sub-Fund. In addition, market practices in relation to the settlement of certain securities transactions and the custody of assets could provide increased risks.

Regulatory Risks and Accounting Standards

It should be remembered that the legal infrastructure and accounting, auditing and reporting standards in some Asian nations may not provide the same degree of shareholder protection or information to investors as would generally apply internationally. In particular, valuation of assets, depreciation, exchange differences, deferred taxation, contingent liability and consolidation may be treated differently from international accounting standards. This may affect the valuation of a Sub-Fund's assets.

Investment Advisor Risk

The Investment Advisor may be responsible for valuing certain assets of each of the Sub-Funds. The Investment Advisor is paid a fee which is a percentage of the net asset value of a Sub-Fund. Consequently, a conflict of interest could arise between the interests of the Investment Advisor and those of a Sub-Fund. In the event of such a conflict of interest, the Investment Advisor shall have regard to its obligations to each Sub-Fund and will ensure that such a conflict is resolved fairly and in the best interest of the Unitholders.

Derivative Risks

While the prudent use of financial derivative instruments (“**FDI**”) can be beneficial, FDIs also involve risks different from, and in certain cases greater than, the risks presented by more traditional investments. In the event of a bankruptcy or insolvency of a counterparty, the Fund could experience delays in liquidating the position and may incur significant losses. There is also a possibility that ongoing derivative transactions will be terminated unexpectedly as a result of events outside the control of the Fund, for instance, bankruptcy, supervening illegality or a change in the tax or accounting laws relative to those transactions at the time the agreement was originated. In accordance with standard industry practice, it is the Fund’s policy to net exposures against its counterparties.

Since many FDIs have a leverage component, adverse changes in the value or level of the underlying asset, rate or index can result in a loss substantially greater than the amount invested in the derivative itself. Certain FDIs have the potential for unlimited loss regardless of the size of the initial investment. If there is a default by the other party to any such transaction, there will be contractual remedies; however, exercising such contractual rights may involve delays or costs which could result in the value of the total assets of the related portfolio being less than if the transaction had not been entered into. Derivatives do not always perfectly or even highly correlate or track the value of the securities, rates or indices they are designed to track. Consequently, the Fund’s use of derivative techniques may not always be an effective means of, and sometimes could be counter-productive to, the Fund’s investment objective. An adverse price movement in a derivative position may require cash payments of variation margin by the Fund that might, in turn, require, if there is insufficient cash available in the portfolio, the sale of the Fund’s investments under disadvantageous conditions.

The Fund may from time to time use both exchange-traded and over-the-counter futures and options as part of its investment policy for hedging purposes and market exposure. These instruments are highly volatile, involve certain special risks and expose investors to a high risk of loss. The low initial margin deposits normally required to establish a futures position permit a high degree of leverage. As a result, a relatively small movement in the price of a futures contract may result in a profit or a loss which is high in proportion to the amount of funds actually placed as initial margin and may result in un-quantifiable further loss exceeding any margin deposited. Further, when used for hedging purposes there may be an imperfect correlation between these instruments and the investments or market sectors being hedged. Transactions in OTC derivatives may involve additional risk as there is no exchange or market on which to close out an open position. It may be impossible to liquidate an existing position, to assess or value a position or to assess the exposure to risk.

Forward contracts, unlike futures contracts, are not traded on exchanges and are not standardised; rather banks and dealers act as principals in these markets negotiating each transaction on an individual basis. The Fund may enter into swap agreements with respect to currencies, interest rates and security indices. Whether the Fund’s use of swap agreements for efficient portfolio management purposes will be successful will depend on the Investment Advisor’s ability to correctly predict whether certain types of investments are likely to produce greater returns than other investments.

MANAGEMENT AND ADMINISTRATION OF THE FUND

The Manager

The Manager was incorporated in Ireland as a private limited liability company on 28th August, 1995. The authorised share capital of the Manager is 1,000,000 ordinary shares of €1.25 each of which 28,571 ordinary shares of €1.25 each have been issued and are fully paid. The Manager is a wholly-owned subsidiary of The Hamon Investment Group Pte Ltd (“HIG”) which has made a subordinated loan of €90,696 to the Manager.

The Directors of the Manager are:-

- **Hugh A. Simon**

Hugh Simon, Chief Executive, established Hamon Investment Group in 1989. Hugh has been responsible for building Hamon’s institutional client base with leading groups such as Mellon Bank and HSBC. Hugh has developed top performing relative and absolute return funds, and built up an experienced team of fund management professionals to manage these assets. In 1998, The Bank of New York Mellon Corporation became a strategic institutional partner to help increase the US client base of the group. Over the last few years, Hugh has focused Hamon’s fund management efforts on increasing its specialisation in the areas of hedge fund management and technology as well as Greater China and Asian emerging markets. Hugh has been responsible for this product since its launch with Dreyfus in 1998. Formally the Managing Director and President respectively of Lazard’s Hong Kong and Japan offices and a director of Lazard Investors in London, Hugh was responsible for establishing Lazard’s offices in the Far East and was in charge of overall investment and marketing for the Asian region. Before joining Lazards in 1984, he worked for Schroders in London, Australia and Hong Kong for five years. He has over 25 years of experience in Asian regional investments.

- **Michael Kirby**

Mr. Kirby, an Irish resident, is an independent mutual fund consultant having over thirteen years experience in the offshore funds industry. He has held senior positions at Bank of New York (previously RBS Trust Bank) from 1995 to 2000 where he was responsible for the establishment and ongoing management of its Dublin operations and also a director of RBS’s global custody operations in Jersey. Prior to this he was Vice President product management & marketing global securities services with JP Morgan (previously Chase Manhattan Bank) from 1993 to 1995 in London. Most recently, from 2000 to 2002, he was a Senior Vice President in MiFund Inc., a privately owned mutual funds supermarket incorporated in the U.S. and Managing Director of MiFund Services Limited, its wholly owned Irish subsidiary. Mr. Kirby holds a Bachelor of Commerce (Hons.) from University College Dublin and is a Fellow of the Institute of Chartered Accountants in Ireland. He is a founder member of the Dublin Funds Industry Association.

- **Jim Cleary**

Mr. Cleary is the founder of Cleary Consulting, a mutual fund consultancy business based in Ireland. He has worked in the financial services sector in both London and Luxembourg. His focus has been on offshore fund management since 1989 and has established and managed fund management offices in Luxembourg, Toronto and Dublin, most recently as Managing Director of SEI Investments, Dublin. He is a director of a number of mutual fund companies and of a number of companies operating in the Irish Financial Services Centre. He is a fellow of the Chartered Association of Certified Accountants and holds a Masters of Business Administration from the University of Limerick.

No Director has:

- (i) any unspent convictions in relation to indictable offences; or
- (ii) been bankrupt or the subject of an involuntary arrangement, or has had a receiver appointed to any asset of such Director; or

- (iii) been a director of any company which, while he was a director with an executive function or within 12 months after he ceased to be a director with an executive function, had a receiver appointed or went into compulsory liquidation, creditors voluntary liquidation, administration or company voluntary arrangements, or made any composition or arrangements with its creditors generally or with any class of its creditors; or
- (iv) been a partner of any partnership, which while he was a partner or within 12 months after he ceased to be a partner, went into compulsory liquidation, administration or partnership voluntary arrangement, or had a receiver appointed to any partnership asset; or
- (v) had any public criticism by statutory or regulatory authorities (including recognised professional bodies); or
- (vi) been disqualified by a court from acting as a director or from acting in the management or conduct of affairs of any company.

The Company Secretary of the Manager is Goodbody Secretarial Limited.

The Manager shall be entitled to receive an annual management fee, in respect of the Asian Market Leaders Fund up to but not exceeding 1.5 per cent of its net asset value and an annual management fee in respect of the Hamon Greater China Fund up to but not exceeding 1.85 per cent of its net asset value. In addition the Manager shall also be entitled to be reimbursed for any expenses incurred. The management fee shall be accrued on each Dealing Day and be payable monthly in arrears, out of which the Manager shall discharge the Investment Advisor's fee. The Manager shall also receive an Upfront Commission of up to 5 per cent out of which it may pay any Distribution Agent involved in distributing Units of the Fund.

The Manager shall continue to act as manager until the termination of the Trust Deed, but shall be entitled to retire in favour of some other corporation approved by the Trustee and the Financial Regulator. If the Manager is in breach of the terms of the Trust Deed and fails to remedy such breach within thirty days of having been requested to do so by the Trustee or if the Manager ceases to be approved by the Financial Regulator or if the Manager enters into liquidation or its affairs are taken over by a receiver or examiner, then the Trustee shall (a) appoint a successor Manager (subject to approval by the Financial Regulator) or (b) terminate the Trust Deed and liquidate a Sub-Fund. The Manager may also be removed and/or replaced by the Financial Regulator. The Manager shall be under no liability to the Trustee, a Sub-Fund or the Unitholders for taking any action or for refraining from taking any action in good faith on the advice of the Investment Advisor or advisors except to the extent that the Manager successfully recovers damages from such Investment Advisor or advisors. The Manager will be liable only for its own wilful misfeasance, bad faith, negligence or reckless disregard of its obligations and duties and will not be liable for any loss incurred by reason of any error of law or any matter or thing done or suffered or omitted to be done by the Manager in good faith.

The Trust Deed allows the Manager, with the approval of the Financial Regulator, to delegate its management duties to other parties. The Manager has delegated its investment advisory duties in respect of each Sub-Fund to the Investment Advisor. The Manager may appoint, with the approval of the Financial Regulator, other investment advisors in respect of the Sub-Funds or other sub-funds of the Fund, either in addition to, or in substitution for, the Investment Advisor.

The Manager and any of its Connected Persons may effect transactions by or through the agency of another person with whom the Manager and any of its Connected Persons have an arrangement under which that party will from time to time provide to or procure for the Manager and any of its Connected Persons goods, services or other benefits, such as research and advisory services, computer hardware associated with specialised software or research services and performance measures etc, the nature of which is such that their provision can reasonably be expected to benefit the Fund as a whole and may contribute to an improvement in the Fund's performance and that of the Manager or any of its Connected Persons in providing services to the Fund and for which no direct payment is made but instead the Manager and any of its Connected Persons undertake to place business with that party. For the avoidance of doubt, such goods and services do not include travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employee salaries or direct money payments. Any such soft commission transactions referred to above will be at best execution price and brokerage rates will not be in excess of customary full service brokerage rates. The benefits provided under the arrangements will assist in the provision of investment services to the Fund. Details of any such transactions will be disclosed in periodical reports of the Fund.

The Hong Kong Representative

The Manager has appointed The Bank of East Asia, Limited to act as the Hong Kong Representative of the Fund to undertake the responsibility associated with such appointment in accordance with the Code on Unit Trusts and Mutual Funds of the Securities and Futures Commission of Hong Kong. The Hong Kong Representative is registered to carry on Type 1 regulated activities in Hong Kong under the Securities and Futures Ordinance. Subscription, redemption and conversion requests can be made through the Hong Kong Representative as well as the Manager.

The fees of the Hong Kong Representative, shall be entitled to receive, out of the Manager's annual management fee a flat fee of U.S.\$2,000 per month and a monthly fee of US\$1,000 for each of the Sub-Fund. Such fees will be charged to the Sub-Fund in respect of which they were incurred or, where an expense is not considered by the Manager to be attributable to any one Sub-Fund, the expense will be allocated amongst the Sub-Funds by the Manager, in such manner and on such basis as the Trustee in its discretion deems fair.

The Hong Kong Representative Agreement may be terminated forthwith by either party if the other is in breach and such breach has not been remedied within thirty days or if the other should go into liquidation. The Manager has agreed to indemnify the Hong Kong Representative against any liabilities or loss suffered by the Hong Kong Representative which may be imposed on, incurred by or asserted against the Hong Kong Representative in performing its functions or duties under the agreement except for liabilities which arose due to fraud, negligence or wilful default of the Hong Kong Representative.

The Distribution Agent(s)

The Manager appointed TSC-Hourigan Asset Management Ltd. ("TSC") as a Distribution Agent of the Fund. TSC shall be entitled to an Upfront Commission of up to 5 per cent of the subscribed Units procured by it and to be paid by the Manager in accordance with the terms and conditions of the distribution agreement dated 8th December, 2003 (including any subsequent amendments) between the Manager and TSC.

The Manager appointed Mellon Global Investments Limited ("MGI") as a Distribution Agent of the Fund. MGI shall be entitled to share the annual management fee in respect of the subscribed Units procured by it and to be paid by the Manager in accordance with the terms and conditions of the distribution agreement dated 19th May, 2004.

The Manager may appoint other Distribution Agents subject to the prior approval of the Financial Regulator.

The Administrator

The Manager has appointed the Administrator effective from 00:01 am on 16 January 2008 to act as registrar and administrator of the Fund responsible for performing the day to day administration of the Fund.

The Administrator is a private limited company incorporated in Ireland on 31 May 1994 (under registration number 218007) and is a wholly owned direct subsidiary of The Bank of New York Mellon Corporation. As at 31 October 2006, the Administrator had assets under administration in excess of U.S. \$244 billion.

The Administrator is not involved directly or indirectly with the business affairs, organisation, sponsorship or management of the Fund and each Sub-Fund and is not responsible for the preparation of this document other than the preparation of the above description and accepts no responsibility or liability for any information contained in this document except disclosures relating to it. For the avoidance of doubt, this will not affect the obligations and duties of the Administrator as described above.

The Administration Agreement between the Manager and the Administrator dated 16 January 2008 (including any subsequent amendments) shall continue to be in force until terminated by either the Manager or the Administrator on ninety days' notice in writing to the other or may be terminated by the Manager or the Administrator immediately in the event that (a) the other is in breach of the Agreement and such breach is material and has not been remedied within thirty days; or (b) the other shall go into liquidation or is unable to pay its debts or if a receiver or an examiner is appointed; or (c) the Administrator ceases to be permitted to act as such by Irish law or by the Financial Regulator.

In the absence of fraud, wilful default or negligence of its obligations and duties, the Administrator will not be liable to the Manager, the Unitholders, the Investment Advisor or the Trustee for any loss incurred by any of them as a result of the performance by the Administrator of its obligations and duties under the Administration Agreement. The Manager agrees to indemnify the Administrator out of the assets of the Fund against any loss suffered by the Administrator in the performance of its obligations under the Administration Agreement save where such loss arises as a result of negligence, wilful default or fraud on the part of the Administrator.

The Administrator shall be entitled to receive from each Sub-Fund an administration fee in the amount set out below. This administration fee will be paid by the Manager to the Administrator for and on behalf of the Sub-Funds. The Manager will also reimburse the Administrator out of the assets of the Sub-Funds for transaction and transfer agency costs as well as reasonable out-of-pocket expenses incurred by the Administrator. The fees and expenses of the Administrator accrue on each Dealing Day and are payable monthly in arrears.

The combined administration and trustee fee will not exceed 0.115% per annum of the Net Asset Value of the Fund which will be applied to each Sub-Fund based on their respective Net Asset Value subject to a combined annual minimum fee per Sub-Fund of US\$84,000 per annum or such other fee as may be agreed in writing between the parties.

The Investment Advisor and Promoter

The Manager has appointed Hamon Asset Management Limited to act as the Investment Advisor. The Investment Advisor is also the Promoter. The Investment Advisor will be responsible for managing each of the Sub-Fund's assets including the purchase, sale and exchange of investments of each of the Sub-Funds.

The Investment Advisor is a specialist investment management firm focused on the Asian equity markets and is registered with the Securities and Futures Commission in Hong Kong. Based in Hong Kong, the Investment Advisor started business in 1989 and has an issued and paid up share capital in excess of U.S. \$2.5 million. The Investment Advisor forms part of HIG. HIG is active in the public investment markets of the Asian region and manages both relative and absolute return products, as well as segregated discretionary portfolios. HIG maintains a focused client base of primarily institutional clients. The majority of HIG is owned by its management and The Bank of New York Mellon Corporation has a minority interest. The Bank of New York Mellon Corporation is a global financial services company. As at 30 June 2007 it has more than US\$20 trillion in assets under custody and administration and more than US\$1 trillion in assets under management. Mellon Global Investments is the international distributor of the products and services of BNY Mellon Asset Management, the asset management arm of The Bank of New York Mellon Corporation. HIG is one of the Asian specialist managers of BNY Mellon Asset Management.

The Investment Advisor shall be entitled to receive an annual fee of up to 1.5 per cent of the net asset value of each of the Sub-Funds which shall be disbursed by the Manager. The fee shall be accrued on each Dealing Day and shall be payable monthly in arrears.

The directors of the Investment Advisor are Mr. Hugh A. Simon and Mr. Alfredo P. Lobo

Pursuant to the Investment Advisory Agreement dated 22nd November, 1995 between the Manager and the Investment Advisor, the Investment Advisor will be responsible for the Fund's investment programme, including advising the Manager regarding the Fund's use of leveraging techniques and the extent and timing of the Fund's use of such techniques.

The Investment Advisory Agreement provides that the Investment Advisor will not be liable for any loss suffered by any of the Sub-Funds or their agents in connection with the matters to which the Investment Advisory Agreement relates, except a loss resulting from negligence, wilful misfeasance or bad faith on the part of the Investment Advisor in the performance of its duties or from reckless disregard by the Investment Advisor of its obligations and duties under the Investment Advisory Agreement. The Manager agrees to indemnify the Investment Advisor in respect of the performance of its obligations under the Investment Advisory Agreement, provided that no indemnification will be given in any case where the Investment Advisor, its directors, officers, employees, servants or agents are guilty of any negligence, wilful misfeasance, bad faith or reckless disregard of their duties. The Manager in turn has been indemnified by the Fund in respect of the indemnification it has given to the Investment Advisor. The Investment Advisory Agreement also provides that the Investment Advisor shall assist the Fund in placing orders with brokers and dealers and, to the extent permitted by applicable law, assist the Fund in purchasing and selling portfolio securities to and from brokers and dealers who provide the Fund, the Manager and the Investment Advisor with research, analysis advice or other services, provided that any such soft

commission transactions are at best execution price. Details of these arrangements will be disclosed in the periodic reports of the Fund.

The Investment Advisory Agreement shall continue in force until it is terminated either by the Manager or the Investment Advisor on ninety days' written notice to the other or may be terminated by the Manager or the Investment Advisor immediately in the event that either the Investment Advisor or the Manager as the case may be becomes insolvent or is otherwise incapable of performing its obligations and duties under the Investment Advisory Agreement.

The Trustee

The Trustee is a private limited company incorporated in Ireland on 13 October 1994 with company registration number 223184 and is a wholly owned indirect subsidiary of The Bank of New York Mellon Corporation. As at 30 June 2007, the Trustee had assets under custody in excess of U.S.\$165 billion.

The Trustee was appointed, by way of the Eighth Supplemental Trust Deed – Deed of Retirement and Appointment effective from 00:01 am on 16 January 2008.

The Trustee is engaged in the provision of trustee and custodial services to collective investment schemes. The Trustee may entrust some or all of the assets of a sub-fund to a sub-custodian or sub-custodians provided that the liability of the Trustee shall not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping.

The Trustee or any successors may resign upon ninety days' notice to the Manager and the Unitholders. The Trustee may be removed by extraordinary resolution at any time or by the Manager on ninety days' notice in writing but without the consent of any of the Unitholders. The Trustee may also be removed and/or replaced by the Financial Regulator. The resignation or removal of the Trustee shall become effective upon the appointment of a successor approved by the Financial Regulator. In the case of the resignation or removal of the Trustee, if no successor Trustee is appointed within ninety days, the Trustee or the Manager may apply to a court of competent jurisdiction for the appointment of a successor Trustee approved by the Financial Regulator.

The Trustee will be liable to the Manager and the Unitholders for any loss suffered by them as a result of its unjustifiable failure to perform or improper performance of its obligations under the Trust Deed. Under the Trust Deed, the Trustee generally will not be liable for any action taken in good faith in reliance on prima facie properly executed documents or for the disposition of monies or investments or for any depreciation or loss incurred by reason of the sale of any investments. The Trustee will not be personally liable for any taxes or other governmental charges, costs or expenses imposed upon or in respect of the investments or upon the interest thereon.

The Trustee shall be entitled to receive from each Sub-Fund a trustee fee in the amount set out below. This trustee fee will be paid by the Manager to the Trustee for and on behalf of the Sub-Funds. The Manager will also reimburse the Trustee out of the assets of the Sub-Funds for reasonable out-of-pocket expenses incurred by the Trustee and for fees (which will not exceed normal commercial rates) and reasonable out-of-pocket expenses of any sub-custodian appointed by the Trustee and will be liable for transaction charges. The fees and expenses of the Trustee accrue on each Dealing Day and are payable monthly in arrears.

The combined administration and trustee fee will not exceed 0.115% per annum of the Net Asset Value of the Fund which will be applied to each Sub-Fund based on their respective Net Asset Value subject to a combined annual minimum fee per Sub-Fund of US\$84,000 per annum or such other fee as may be agreed in writing between the parties.

The fees payable to the Trustee and the disbursements of the Trustee shall be paid by the Manager who will be reimbursed out of the assets of the relevant Sub-Fund for any such fee and disbursements. The fees payable to any sub-custodians shall be paid by the relevant Sub-Fund which shall discharge the transaction costs of any sub-custodians appointed by the Trustee, which fees shall be at customary commercial rates in the market.

The Paying Agent(s), Local Representative and Tax Representative

The Manager has appointed various paying agents, local representative and tax representative in connection with the public distribution of Units in certain jurisdictions. NPB New Private Bank Ltd. has been appointed as the paying agent and First Independent Fund Services as the local representative of the Fund in Switzerland, Raiffeisen Zentralbank Österreich Aktiengesellschaft has been appointed as formal paying and information agent and tax

representative of the Fund in Austria and Marcard Stein & Co AG as paying and information agent of the Fund in Germany.

Expenses

Each of the Sub-Funds shall pay all of its expenses, other than those expressly assumed by the Manager, and such proportion of the Fund's expenses as is allocated to the relevant Sub-Fund. The expenses borne by each Sub-Fund may include the costs of (i) establishing, maintaining and registering the Sub-Fund and the Units with any governmental or regulatory authority including any paying or other agents fees, which will be at normal commercial rates, and expenses or with any stock exchange or regulated market (including The Irish Stock Exchange); (ii) preparation, printing and posting of prospectuses, sales literature, reports to Unitholders, the Financial Regulator and governmental agencies; (iii) taxes, commissions and brokerage fees; (iv) auditing, tax, consulting and legal fees; (v) insurance premia and other operating expenses including the disbursements of the Trustee, the Manager, the Administrator and other service providers.

Such fees, duties and charges will be charged to the Sub-Fund in respect of which they were incurred or, where an expense is not considered by the Manager to be attributable to any one Sub-Fund, the expense will be allocated amongst the Sub-Funds by the Manager, in such manner and on such basis as the Trustee in its discretion deems fair.

ADMINISTRATION OF THE FUND

Determination of Net Asset Value

The Administrator shall determine the net asset value of each class of the Units for each Dealing Day in accordance with the Trust Deed at the Valuation Point. The net asset value per Unit shall be calculated by dividing the assets of the relevant Sub-Fund, less its liabilities, by the number of Units in issue in respect of that Sub-Fund and rounded to the nearest cent. Any liabilities of the Fund which are not attributable to any sub-fund shall be allocated pro rata amongst all of the Sub-Funds of the Fund.

Where a Sub-Fund is made up of more than one class of units, the net asset value of each class shall be determined by calculating the amount of the net asset value of the Sub-Fund attributable to each class. The amount of the net asset value of a Sub-Fund attributable to a class shall be determined by establishing the value of units in issue in the class and by allocating relevant fees and expenses to the class and making appropriate adjustments to take account of distributions paid out of the Sub-Fund, if applicable, and apportioning the net asset value of the Sub-Fund accordingly. The net asset value per unit of a class shall be calculated by dividing the net asset value of the class by the number of units in issue in that class, and rounded to the nearest cent. The value of the assets of a Sub-Fund shall be determined in the base currency of the Sub-Fund as set out below. Where a class is in a currency other than the base currency of the Sub-Fund the cost of converting currency and the costs and gains/losses of any hedging transactions are borne solely by the relevant class. Classes of Units will not be leveraged as a result of hedging transactions and in no circumstances shall the hedging exceed 100% of the net asset value of the class.

In determining the value of the assets of a Sub-Fund, each security which is traded on a Regulated Market will be valued on the Regulated Market which is normally the principal market for such security on the basis of the last traded price.

In the case of any assets not listed, quoted on or dealt in a Regulated Market or in respect of which a price or quotation is not available at the time of valuation which would provide a fair valuation, the value of such asset shall be determined with care and in good faith by the Investment Advisor or by a stockbroker or other professional person approved for the purpose by the Trustee, or shall be such value as the Directors may consider in the circumstances to be fair and which is approved by the Trustee and such value shall be determined on the basis of the probable realisation value of the asset.

Cash and other liquid assets will be valued at their face value with interest accrued (if any) to the relevant Dealing Day.

Exchange traded derivative instruments will be valued on the same basis as other listed investments in the Fund. Accordingly, futures and options contracts traded on a Regulated Market are valued using the latest available settlement price as determined by the market in question or where a settlement price is unavailable the probable realisation value estimated with care and in good faith by a competent person appointed by the Manager (whose selection shall be in consultation with the Administrator) and approved for the purpose by the Trustee. All over-the-counter derivatives are valued on the basis of a valuation agreed with the counterparty at least daily and verified at least weekly by a competent person independent of the counterparty appointed by the Manager (whose selection shall be in consultation with the Administrator) and approved for the purpose by the Trustee.

Investments in collective investment schemes will be valued at the latest net asset value per unit (or share) or, where the latest net asset value is not quoted and bid and offer prices are quoted, at a price which is the average of the bid and offer prices.

In determining the value of the assets there shall be added to the assets any interest or dividends accrued but not received and any amounts available for distribution but in respect of which no distribution has been made and there shall be deducted from the assets all liabilities accrued, including, without being limited to, the accrued fees of the Manager, the Administrator, the Trustee, the Investment Advisor and other service providers and all taxes, duties, charges and expenses to be borne by the relevant Sub-Fund.

Values shall be converted into U.S. Dollars at the exchange rate applicable as at the Valuation Point.

Subscription Price

Each Unit shall be issued at the net asset value for such Unit or at the net asset value for each class of unit of the sub-fund as determined on the Dealing Day on which the Unit is deemed to be issued. The Upfront Commission of up to 5 per cent shall be payable to the Manager in respect of all subscriptions for Units and any banking charges, currency transactions, expenses and similar charges shall be for the account of the investor. The minimum holding for each investor shall be 95 Units.

Application for Units

Units may be issued to eligible investors who apply to the Administrator, either directly or through the Manager, or the Distribution Agent. Applications must be received by the Administrator before 10.00 a.m. (Irish time) on any Dealing Day. Units shall be issued on the basis of the net asset value per Unit calculated for such Dealing Day. Any application received by the Administrator after 10.00 a.m. (Irish time) on any Dealing Day shall be held in abeyance and shall be effective on the next succeeding Dealing Day. Investors shall transmit cleared funds representing the subscription monies, by telegraphic transfer, to the Administrator's accounts numbered 2517228400 in respect of the USD Class Units and 2517228260 in respect of the Sterling Class Units at Bank of New York Mellon so that cleared funds are received in the Administrator's account for value by the Settlement Date of the relevant Sub-Fund.

All initial applications must be submitted by letter or by fax to the Administrator. Applications by fax shall only be processed provided that the original subscription application form and all necessary anti-money laundering documentation are submitted promptly to the Administrator. No redemption payment may be made from that holding until the original subscription application form and all anti-money laundering documentation has been received and all anti-money laundering procedures have been completed. Subsequent applications may be submitted by letter or by fax. In such cases the Administrator will confirm the application in writing to the Unitholder.

Amendments to Unitholder's registration details and payment instructions will only be processed upon receipt of original documentation from the Unitholder confirming the amendments.

The Manager, on an individual basis and at its sole discretion, may accept properly completed subscription forms received after 10.00 a.m. (Irish time) but before the Valuation Point if the delay was the result of exceptional circumstances, such as electronic or other failure. The Manager reserves the right to cancel without notice any contract for which payment has not been received by the settlement date and to recover any costs incurred or to extend the period within which settlement is due on a case by case basis.

The Manager reserves the right to issue fractions of Units to three decimal places, rounded down with any excess to go to relevant Sub-Fund. The Manager reserves the right to reject in whole or in part any application for Units, and if rejected, all subscription monies will be returned without interest to the bank account from which they were paid.

Money Laundering

Compliance measures aimed at preventing money laundering require that a subscriber verify his/her identity, and address to the Administrator. This obligation to verify the identity of the subscriber may be satisfied in part where the application is being made via a recognised financial intermediary and the recognised financial intermediary has completed a letter of introduction to the satisfaction of the Administrator.

In the case of individuals this will require production of a copy of passport or identification card duly certified by a public authority such as notary public, the police or the ambassador in the applicant's country of residence, together with two documents (original or certified) evidencing the applicant's address such as a current utility bill or bank statement. In the case of corporate applicants, this will require production of an English translation copy of the certificate of incorporation (and any change of name), memorandum and articles of association (or equivalent), resolution of the board of directors to subscribe for the Fund and confer authority on those who will operate it, the names, dates of birth and addresses (business and residential) of all ultimate beneficial owners, directors, principal shareholders and account signatories (altogether, "Relevant Parties") and, details required of individuals, as outlined above, may be required of all Relevant Parties and the details required of corporate applicants may be required of the principal shareholders if they are corporate entities. All documentation required to be produced by corporate applicants must be certified. The Administrator and the Hong Kong Representative, at their discretion, may request additional information to enable the verification of an applicant's identity.

In the event of delay or failure by the applicant to produce any information required for verification purposes, the Administrator may refuse to accept the application and all subscription monies and may also refuse to process redemptions and pay redemption proceeds. If the applicant which is not a recognised financial intermediary subscribes for Units as nominee on behalf of a beneficiary, the identity of the ultimate beneficial owner should be disclosed to the Administrator.

The Administrator, as a paying agent pursuant to the EU Savings Directive may also require proof of the identity, address and tax identification number (or similar documentation showing the tax residency) of an applicant prior to accepting an application.

Currency of Investments

Subscriptions may be made in any freely convertible currency approved by the Administrator, but the costs of converting the subscription monies into the base currency of any class of units of any sub-fund shall be borne by the applicant.

Certificates

The Administrator shall be responsible for maintaining the Fund's register of Unitholders in which all issues, redemptions and transfers of Units will be recorded. Units will be issued in inscribed form. No certificates will be issued to a Unitholder. Unitholders shall receive from the Administrator a completion notice setting out trade details on completion of each transaction. A Unit may be registered in a single name or in up to four joint names. The register of Unitholders shall be available for inspection by Unitholders at the registered office of the Administrator.

Redemption of Units

Unitholders may request that Units be redeemed on a Dealing Day in writing or by fax. Redemption requests made by fax shall only be processed provided that the original redemption notice form, available from the Administrator or the Distribution Agents, is received promptly by the Administrator together with any additional documents required for anti-money laundering purposes as may be requested by the Administrator. A maximum of 10 per cent of the total number of Units in a Sub-Fund may be redeemed on any one Dealing Day. To be effective on a Dealing Day a redemption notice must be received by the Administrator before 10.00 a.m. (Irish time) on the second Business Day prior to such Dealing Day. Any redemption notice received by the Administrator after 10.00 a.m. (Irish time) on the second Business Day immediately preceding any Dealing Day shall be effective on the next succeeding Dealing Day. If redemption notices in respect of more than 10 per cent of the total number of Units in a Sub-Fund are received by the Administrator in respect of any Dealing Day, the Administrator will deal with the redemption notices on a first come, first served basis and will defer the excess redemption notices to a subsequent Dealing Day or Days, and will redeem the excess on a pro-rata basis. Any deferred redemption notices shall be treated in priority to any redemption notices received on subsequent Dealing Days.

Redemption Price

The Units shall be redeemed at the net asset value per Unit or at the net asset value of each class of unit of a sub-fund, calculated in accordance with the Trust Deed, for the Dealing Day on which the redemption notice is effective. Upon the instruction of the Manager, the Administrator shall be entitled to deduct from the proceeds of redemption all bank charges, currency transactions, expenses and similar charges which may arise and shall charge a redemption fee on behalf of the Manager of up to 1 per cent on any Units redeemed. The Manager may, in its absolute discretion, waive the payment of the redemption fee.

Payment of Redemption Monies

The payment of redemption proceeds will occur on the Settlement Date of the relevant Sub-Fund but funds may only be paid out on receipt, by the Administrator, of the original authorised redemption notice. Unless otherwise requested by a Unitholder, payment shall be made by telegraphic transfer to the Unitholder's account at the cost and risk of the Unitholder, details of which shall be notified to the Administrator by the Unitholder on the redemption notice.

Mandatory Redemption of Units

If a Unitholder's holding in a Sub-Fund falls below the minimum holding of 95 Units, the Administrator, on the instruction of the Manager, may redeem the whole of that Unitholder's Units. Before doing so, the Administrator shall notify the Unitholder in writing and allow the Unitholder thirty days to purchase additional Units to meet the minimum requirement.

Unitholders shall notify the Administrator immediately in the event that they become Irish Residents or U.S. Persons and shall redeem their Units as soon as practicable. If the Manager or the Administrator otherwise becomes aware that a holder of Units is a U.S. Person, the Manager or Administrator (upon the instruction of the Manager) shall cause the Sub-Fund to redeem such Units as soon as practicable. The Manager or the Administrator (upon the instruction of the Manager) further reserves the right to redeem any Units, on thirty days' notice to the Unitholder, if the holding of the Units by any person is unlawful or detrimental to the interests of the Fund or Sub-Fund.

Publication of the Price of the Units

Except where the determination of the net asset value per Unit has been suspended, in the circumstances described below, the net asset value of the Units shall be made public at the registered office of the Administrator and the Hong Kong Representative on each Dealing Day and shall be published daily in the Financial Times, the South China Morning Post, the Hong Kong Economic Journal, Der Standard, Neue Zürcher Zeitung and such additional publications as may be requested by the Manager and notified to the Irish Stock Exchange and any other regulators, if required, without delay.

Transfer of Units

All transfers of Units shall be effected by transfer in writing in any usual or common form or in any other form approved by the Manager and every form of transfer shall state the full name and address of the transferor and the transferee. The instrument of transfer of a Unit shall be signed by the transferor. The transferor shall be deemed to remain the holder of the Unit until the name of the transferee is entered in the register in respect thereof. The Manager may decline to register any transfer of units if, in consequence of such transfer, the transferor or transferee would hold Units having a value less than the minimum holding of Units for a Sub-Fund. The registration of transfers may be suspended at such times and for such periods as the Manager may from time to time determine, provided always that such registration shall not be suspended for more than thirty days in any year. The Manager may decline to register any transfer of Units unless the instrument of transfer is deposited at the registered office of the Manager or at such other place as the Manager may reasonably require, together with such other evidence as the Manager may reasonably require to show the right of the transferor to make the transfer. Such evidence may include a declaration as to whether the proposed transferee is an Irish Resident or a U.S. Person.

Notwithstanding the foregoing, the Manager may authorise the transfer or sale of Units to a limited number of U.S. Persons provided, however, that:

- (i) such transfer or sale does not result in the violation of the U.S. Securities Act of 1933, as amended, or the securities laws of states of the United States;
- (ii) such transfer or sale would not require the Fund to register under the U.S. Investment Company Act of 1940, as amended; and
- (iii) there will be no adverse tax consequences to the Fund or its Unitholders as a result of such transfer or sale.

Each applicant for Units who is a U.S. Person will be required to provide such representations, warranties, or documentation as may be required by the Manager to ensure that such requirements are met prior to approval of such sale or transfer by the Manager. The Manager shall determine from time to time the number of U.S. Persons who may be admitted to a Sub-Fund and currently will not knowingly permit the number of Unitholders who are U.S. Persons to exceed 75.

The Administrator will require the transferee to provide the same declarations as any new investor completing an application form in the normal way.

Temporary Suspension of Valuation and of Issues and Redemptions of Units

The Manager may temporarily suspend the determination of the net asset value and the issue or redemption of Units during:

- (i) any period (other than ordinary holiday or customary weekend closings) when any Regulated Market is closed which is the Regulated Market for a significant part of a Sub-Fund's invested assets or in which trading thereon is restricted or suspended; or
- (ii) any period when an emergency exists as a result of which disposal by a Sub-Fund of investments which constitute a substantial portion of the assets of a particular Sub-Fund is not practically feasible; or
- (iii) any period when for any reason the prices of any investments of a Sub-Fund cannot be reasonably, promptly or accurately ascertained by the Manager; or
- (iv) any period when remittance of monies which will, or may be, involved in the realisation of, or in the payment for, investments a Sub-Fund cannot, in the opinion of the Manager, be carried out at the normal rate of exchange; or
- (v) any period when the proceeds of any sale or redemption of the Units cannot be transmitted to or from a Sub-Fund's account.

Any such suspension shall be published by the Manager in the Financial Times, the South China Morning Post, the Hong Kong Economic Journal, Der Standard, Neue Zürcher Zeitung and if, in the opinion of the Manager, it is likely to exceed fourteen days, and also shall be notified to the Financial Regulator, the Irish Stock Exchange and any other regulators, if required, without delay.

Conversion of Units

The Trust Deed allows for Unitholders, with the prior consent of the Manager, to convert their Units to units in any other sub-fund of the Fund. Unitholders should complete the conversion request form and forward it to the Administrator by 10.00 a.m. (Irish time) on the second Business Day prior to the relevant Dealing Day. Conversion will be processed as a redemption of units in the original fund and a subscription for Units in the new fund and will take place in accordance with the following formula:-

$$N = \frac{(U \times R \times F) - X}{P}$$

where

- N = the number of units which will be issued in the new sub-fund;
- U = the number of the Units to be converted;
- R = the redemption price of a Unit ruling on the relevant Dealing Day;
- F = the currency conversion factor as determined by the Manager on the Dealing Day;
- P = the price of a unit of the new sub-fund ruling on the relevant Dealing Day;
- X = a switching charge (if any) not exceeding 5 per cent of U x R.

If N is not an integral number of units the Manager reserves the right to issue fractional units in the new sub-fund to three decimal places, rounded down with any excess to go to a Sub-Fund. It is not the present intention of the Manager to charge a switching fee. The Administrator shall be entitled to a switching fee of US\$20 per transaction.

The Administrator will complete the conversion and transfer assets between the relevant Fund accounts on the tenth Business Day after Dealing Day provided it has received the original authorised conversion request and all relevant Unit certificates.

Unitholders may also convert all or any portion of their Units into units of a different class of units within the same sub-fund on the same terms and conditions as apply to a conversion between sub-funds as set out above.

TAXATION

The following statements are by way of a general guide to potential investors and Unitholders only and do not constitute tax advice. Unitholders and potential investors are therefore advised to consult their professional advisers concerning possible taxation or other consequences of purchasing, holding, selling or otherwise disposing of the Units under the laws of their country of incorporation, establishment, citizenship, residence or domicile.

Unitholders and potential investors should note that the following statements on taxation are based on advice received by the Directors regarding the law and practice in force in the relevant jurisdiction at the date of this Document and proposed regulations and legislation in draft form. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment is made in the Fund will endure indefinitely.

Overseas Dividends

Dividends (if any) and interest which Unitholders received with respect to investments (other than securities of Irish issuers) may be subject to taxes, including withholding taxes, in the countries in which the issuers of the investments are located. It is anticipated that the Fund may not be able to benefit from reduced rates of withholding tax under the provisions of double tax agreements between Ireland and such countries.

Irish Taxation

Tax on income and capital gains

The Fund

The Fund will only be subject to tax on chargeable events in respect of Unitholders who are Irish Resident (generally persons who are resident or ordinarily resident in Ireland for tax purposes – see below for more details).

A chargeable event occurs on:

- a payment of any kind to a Unitholder by the Fund;
- a transfer of Units; and
- on the eighth anniversary of a Unitholder acquiring Units and every subsequent eighth anniversary

but does not include any transaction in relation to Units held in a clearing system recognised by the Irish Revenue Commissioners, certain transfers arising as a result of an amalgamation or reconstruction of fund vehicles and certain transfers between spouses or former spouses.

If a Unitholder is not an Irish Person at the time a chargeable event arises no Irish tax will be payable on that chargeable event in respect of that Unitholder.

Where tax is payable on a chargeable event it is a liability of the Fund which is recoverable by deduction or, in the case of a transfer and on the eight year rolling chargeable event by cancellation or appropriation of Units from the relevant Unitholders.

In the absence of the appropriate declaration being received by the Fund that a Unitholder is not an Irish Person or if the Fund has information that would reasonably suggest that a declaration is incorrect the Fund will be obliged to pay tax on the occasion of a chargeable event. Where the chargeable event is an income distribution tax will be deducted at the standard rate of income tax (currently 20%) on the amount of the distribution. Where the chargeable event occurs on any other payment to a Unitholder, on a transfer of Units and on the eight year rolling chargeable event, tax will be deducted at the standard rate of income tax plus 3% (which currently totals 23%) on the increase in value of the Units since their acquisition. In respect of the eight year rolling chargeable event, there is a mechanism for obtaining a refund of tax where the Units are subsequently disposed of for a lesser value.

The Finance Act 2007 introduced an anti-avoidance provision that increases the 23% rate of tax to 43% if, under the terms of an investment in a fund, the investor or certain persons associated with the investor have an ability to influence the selection of the assets of the fund.

Other than in the instances described above the Fund will have no liability to Irish taxation on income or chargeable gains.

Unitholders

Unitholders who are neither resident nor ordinarily resident in Ireland in respect of whom the appropriate declarations have been made will not be subject to tax on any distributions from the Fund or any gain arising on redemption, repurchase or transfer of their Units provided the Units are not held through a branch or agency in Ireland and the Units, if unlisted, do not derive the greater part of their value from Irish land or mineral rights. No tax will be deducted from any payments made by the Fund to those Unitholders who are not Irish Persons.

Unitholders who are Irish resident or ordinarily resident or who hold their Units through a branch or agency in Ireland may have a liability under the self-assessment system to pay tax, or further tax, on any distribution or gain arising from their holdings of Units.

Stamp duty

No Irish stamp duty will be payable on the subscription, transfer or redemption of Units provided that no application for Units or re-purchase or redemption of Units is satisfied by an in specie transfer of any Irish situated property.

Capital acquisitions tax

No Irish gift tax or inheritance tax (capital acquisitions tax) liability will arise on a gift or inheritance of Units provided that

- at the date of the disposition the transferor is neither domiciled nor ordinarily resident in Ireland and at the date of the gift or inheritance the transferee of the Units is neither domiciled nor ordinarily resident in Ireland; and
- the Units are comprised in the disposition at the date of the gift or inheritance and the valuation date.

Other tax matters

The income and/or gains of a Fund from its securities and assets may suffer withholding tax in the countries where such income and/or gains arise. The Fund may not be able to benefit from reduced rates of withholding tax in double taxation agreements between Ireland and such countries. If this position changes in the future and the application of a lower rate results in repayment to that Fund, the net asset value of the Fund will not be restated and the benefit will be allocated to the existing Unitholders rateably at the time of repayment

Exempt Irish Residents

The Fund will not be required to make deductions in respect of the following categories of Irish Residents, provided that the required declarations have been obtained from the Irish Residents:-

- (i) an intermediary, including a nominee, for a Foreign Person;
- (ii) the Manager for so long as the Manager is a qualifying management company within the meaning of section 734 TCA;
- (iii) a specified company within the meaning of section 734 TCA;
- (iv) an investment undertaking within the meaning of section 739(B) of the TCA;

(v) an exempt approved scheme or a retirement annuity contract or trust scheme within the provisions of sections 774, 784 or 785 TCA;

(vi) a company carrying on life business within the meaning of section 706 TCA;

(vii) a special investment scheme within the meaning of section 737 TCA;

(viii) a unit trust to which section 731(5)(a) TCA applies;

(ix) a charity entitled to an exemption from income tax or corporation tax under section 207(1)(b) TCA;

(x) a person entitled to exemption from income tax and capital gains tax under section 784A(2) TCA, section 787I TCA or section 848E TCA and the units held are assets of an approved retirement fund, an approved minimum retirement fund, a special savings incentive account or a personal retirement savings account (as defined in section 787A TCA);

(xi) the Courts Service;

(xii) a Credit Union;

(xiii) a company within the charge to corporation tax under section 739G(2) TCA, but only where the fund is a money market fund;

(xiv) a company within the charge to corporation tax under section 110(2) TCA;

(xv) the National Pensions Reserve Fund Commission; and

(xvi) any other person as may be approved by the directors from time to time provided the holding of Units by such person does not result in a potential liability to tax arising to the Company in respect of that Unitholder under section 739 TCA in respect of each of which the appropriate declaration set out in Schedule 2B TCA and such other information evidencing such status is in the possession of the Company on the appropriate date.

Where;-

TCA means the Taxes Consolidation Act, 1997, as amended; and

Foreign Person means a person who is neither resident nor ordinarily resident in Ireland for tax purposes who has provided the company with the appropriate declaration under Schedule 2B TCA and the Company is not in possession of any information that would reasonably suggest that the declaration is incorrect or has at any time been incorrect.

Intermediary means a person who carries on a business which consists of, or includes, the receipt of payments from an investment undertaking resident in Ireland on behalf of other persons; or holds units in an investment undertaking on behalf of other persons.

There is no provision for any refund of tax to investors who are not Irish Residents where tax has been deducted in the absence of the necessary declaration. A refund of tax may only be made to corporate investors who are within the charge to Irish corporation tax.

Residence

The liability of the Fund to tax will be determined by whether the Irish Resident is resident or ordinarily resident in Ireland for tax purposes. In general, investors in sub-funds will be either individuals, corporate entities or trusts. Under Irish rules, both individuals and trusts may be resident or ordinarily resident. For corporate entities, the concept of ordinary residence does not apply.

Resident - Individual

An individual will be regarded as being resident in Ireland for a tax year if s/he:

1. Spends 183 or more in the State in that tax year;
or
2. has a combined presence of 280 days in the State, taking into account the number of days spent in the State in that tax year together with the number of days spent in the State in the preceding year.

Presence in a tax year by an individual of not more than 30 days in the State will not be reckoned for the purpose of applying the two year test. Presence in the State for a day means the personal presence of an individual at the end of the day (midnight).

Ordinarily Resident - Individual

The term “ordinary residence” as distinct from “residence”, relates to a person’s normal pattern of life and denotes residence in a place with some degree of continuity.

An individual who has been resident in the State for three consecutive tax years becomes ordinarily resident with effect from the commencement of the fourth tax year.

An individual who has been ordinarily resident in the State ceases to be ordinarily resident at the end of the third consecutive tax year in which s/he is not resident. Thus, an individual who is resident and ordinarily resident in the State in 2004 and departs from the State in that tax year will remain ordinarily resident up to the end of the tax year in 2007.

Residence - Company

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

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

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

EU Savings Tax Directive

On 3 June, 2003 the Council of the European Union (ECOFIN) adopted a directive regarding the taxation of interest income. Each EU Member State must implement the directive by enacting legislation that requires paying agents (within the meaning of the directive) established within its territory to provide to the relevant competent authority details of interest payments (which includes certain payments made by collective investment undertakings such as the Fund) made to any individual and certain intermediate entities resident in another EU Member State or a territory being a dependent or associated territory of an EU Member State (**Relevant Territory**). The competent authority of the EU Member State of the paying agent (within the meaning of the directive) is then required to communicate this information to the competent authority of the Relevant Territory of which the beneficial owner of the interest is a resident.

Austria, Belgium and Luxembourg may opt instead to withhold tax from interest payments within the meaning of the directive.

Member States must apply the respective provisions with effect from 1 July 2005. Ireland has implemented the directive into national law. Any Irish paying agent making an interest payment on behalf of the Fund to an individual, and certain residual entities defined in the TCA, resident in another Relevant Territory will have to

provide details of the payment to the Irish Revenue Commissioners who in turn will provide such information to the competent authorities of the Relevant Territory of residence of the individual or residual entity concerned.

Broadly speaking, for income distributions, it is only if the fund has invested more than 15% of its assets directly or indirectly in interest bearing securities and for capital distributions it is only if the fund has invested more than 40% of its assets directly or indirectly in interest bearing securities, that payments received from the Fund would be subject to reporting obligations.

Taxation in United Kingdom

The Manager intends to manage the affairs of the Fund in such a way that the Fund is not resident in the United Kingdom for tax purposes. In addition, the Manager of the Fund does not believe that the Fund will, in the normal course of its activities, be carrying on a trade for United Kingdom taxation purposes through a branch or agency situated in the UK that constitutes an assessable “UK representative” for United Kingdom taxation purposes. Accordingly, the Fund should not be subject to United Kingdom taxation on its profits and gains (other than withholding tax on any interest or certain other income received by the Fund which has a United Kingdom source, if any).

The Manager and the Investment Manager intend to manage the Fund and its investments in such manner, so as to ensure that no such assessable “UK representative” will arise in so far as this is within their respective control and the benefit of a statutory exemption is available, but it cannot be guaranteed that the conditions necessary for exemption will at all times be satisfied.

Subject to their personal circumstances, Unitholders resident in the United Kingdom for taxation purposes may be liable to United Kingdom income tax or corporation tax in respect of any dividends or other income distributions of the Fund and any dividends funded out of realised capital profits of the Fund). For those Unit Classes of the Fund operating income equalisation arrangements, in the case of the first distribution made in respect of a Unit in an accounting period, the amount representing income equalisation is a return of capital and not taxable in the hands of the Unitholder. This amount should generally be deducted from the base cost of Units in computing the capital gain realised upon their disposal (see below).

When United Kingdom resident individuals receive dividends from United Kingdom companies, there is a non-refundable tax credit equivalent to 10% of the dividend plus the tax credit, which may be offset against their liability to tax. United Kingdom resident individuals in receipt of non-UK dividends currently do not receive such a credit. As a result of measures announced in the 2007 Finance Act, this non-refundable tax credit has been extended to dividends received from non-United Kingdom resident companies from 6 April 2008. However United Kingdom individual Unitholders in the Fund will not be able to obtain a non-refundable tax credit on dividends received from the Fund as it is legally structured as a unit trust rather than a company.

Chapter V Part XVII of the Income and Corporation Taxes Act, 1988 (“ICTA”) provides that if an investor resident or ordinarily resident in the United Kingdom for taxation purposes holds a “material interest” in an offshore fund, and the fund does not qualify as a “distributing fund” for each accounting period of the fund in which the investor holds that interest, any gain (calculated without the benefit of indexation or taper relief) accruing to that investor upon the sale or other disposal of the interest will be charged to tax as income and not as a capital gain. Changes introduced by the United Kingdom Finance Act 2004 amend the definition of offshore fund, such that it relates in the case of the Fund, to each individual Unit Class. Each Unit Class will therefore be viewed as a separate offshore fund and Units in the Fund are likely to constitute a “material interest” in an offshore fund for the purposes of ICTA.

It is the intention of the Directors that the Sterling Unit Class will apply for certification as a “distributing fund” under ICTA. With a view to qualifying for certification, it is intended that the Sterling Unit Class will distribute at least 85 per cent of the higher of its net income or its United Kingdom equivalent profits for each accounting period within six months of the end of each accounting period. As certification is granted retrospectively, however, it cannot be guaranteed that such certification will be granted for any particular period or will continue to be available for future accounting periods.

The Fund will also be required to ensure that (with certain exceptions), not more than 5 per cent by value of the assets of each Fund seeking certification are invested in other offshore funds.

So long as such certification is obtained, Unitholders who are resident or ordinarily resident in the United Kingdom for taxation purposes may (unless holding Units as trading assets, when different rules apply) be liable to United

Kingdom capital gains tax or corporation tax on chargeable gains in respect of gains arising from the sale, redemption or other disposal of their Units.

It should be noted that the above treatment will only apply on the disposal of interests in “distributing” Unit Classes provided that they are certified by HM Revenue & Customs during the entire holding period of any particular Unitholder resident or ordinarily resident in the United Kingdom.

An individual Unitholder domiciled or deemed for United Kingdom tax purposes domiciled in the United Kingdom may be liable to United Kingdom Inheritance Tax on their Units in the event of death or on making certain categories of lifetime transfer.

The attention of individuals ordinarily resident in the United Kingdom is drawn to the provisions of Chapter III of Part XVII of ICTA. These provisions are aimed at preventing the avoidance of income tax by individuals through transactions resulting in the transfer of assets or income to persons (including companies) resident or domiciled outside the United Kingdom and may render them liable to income tax in respect of undistributed income of the Fund on an annual basis. The legislation is not directed towards the taxation of capital gains.

The attention of persons resident or ordinarily resident in the United Kingdom for taxation purposes (and who, if individuals, are also domiciled in the United Kingdom for those purposes) is drawn to the fact that the provisions of section 13 of the Taxation of Chargeable Gains Act 1992 could be material to any such person whose proportionate interest in the Fund (whether as a Unitholder or otherwise as a “participator” for United Kingdom taxation purposes) when aggregated with that of persons connected with that person is 10%, or greater, if, at the same time, the Fund is itself controlled in such manner that it would, were it to be resident in the United Kingdom for taxation purposes, be a “close” company for those purposes. Section 13 could, if applied, result in a person with such an interest in the Fund being treated for the purposes of United Kingdom taxation of chargeable gains as if a part of any capital gain accruing to the Fund (such as on a disposal of any of its Investments) had accrued to that person directly, that part being equal to the proportion of the gain that corresponds to that person’s proportionate interest in the Fund (determined as mentioned above).

Transfer taxes may be payable by the Fund in the United Kingdom and elsewhere in relation to the acquisition and/or disposal of Investments. In particular, stamp duty reserve tax at the rate of 0.5% (or, if the transfer does not take place in Dematerialised Form, stamp duty at an equivalent rate) will be payable by the Fund in the United Kingdom on the acquisition of shares in companies incorporated in the United Kingdom or which maintain a share register in the United Kingdom. This liability will arise in the course of the Fund’s normal investment activity and on the acquisition of Investments from subscribers on subscription for shares.

In the absence of an exemption applicable to a prospective Shareholder (such as that available to intermediaries under section 88A of the Finance Act 1986) stamp duty reserve tax (or stamp duty) at the same rate as above will also be payable by prospective Shareholders on the acquisition of shares in companies incorporated in the United Kingdom or which maintain a share register in the United Kingdom for the purpose of subsequent subscription for shares, and may arise on the transfer of Investments to Shareholders on redemption.

Because the Fund is not incorporated in the United Kingdom and the register of holders of Units will be kept outside the United Kingdom, no liability to stamp duty reserve tax will arise by reason of the transfer, subscription for or redemption of Units except as stated above. Liability to stamp duty will not arise provided that any instrument in writing transferring Units in the Fund is executed and retained at all times outside the United Kingdom.

Taxation in Hong Kong

Under present Hong Kong law and practice there is no capital gains tax payable on the sale or realisation of securities or other investments (including Units), although gains or profits (not being of a capital nature) arising in or derived from Hong Kong through a trade, profession or business carried on by a person in Hong Kong may attract profits tax.

GENERAL

Conflicts of Interest

The Manager, the Administrator, the Trustee, the Investment Advisor, the Hong Kong Representative and the Distribution Agent may from time to time act as manager, administrator, trustee, investment advisor, Hong Kong representative or distribution agent respectively in relation to, or be otherwise involved in, other funds or client accounts which have similar investment objectives to those of a Sub-Fund. It is, therefore, possible that any of them may, in the course of business, have potential conflicts of interests with a Sub-Fund. Each will, at all times, have regard in such event to its obligations under the Trust Deed, the Administration Agreement, the Investment Advisory Agreement, the Hong Kong Representative Agreement and the Distribution Agreement(s) respectively and will ensure that such conflicts of interest are resolved fairly. In addition, any of the foregoing may deal, as principal or agent, with a Sub-Fund, provided that such dealings are carried out as if effected on normal commercial terms negotiated on an arm's length basis. Transactions must be in the best interests of Unitholders.

Dealings will be deemed to have been effected on normal commercial terms if: (1) a certified valuation of a transaction by a person approved by the Trustee as independent and competent is obtained; or (2) the transaction is executed on best terms on an organised investment exchange in accordance with the rules of such exchange; or (3) where (1) and (2) are not practical, the transaction is executed on terms which the Trustee (or the Manager in the case of a transaction involving the Trustee) is satisfied are normal commercial terms negotiated at arm's length.

Reports

In each year the Manager shall cause to be prepared an annual report and audited annual accounts for a Sub-Fund which will be forwarded to Unitholders within four months of the financial year end. In addition, the Manager shall prepare and circulate to Unitholders a half-yearly report which shall include unaudited half-yearly accounts for a Sub-Fund within two months of the end of the relevant period.

Annual accounts shall be made up to 31st December in each year and the next audited accounts shall cover the year until 31st December, 2007. The unaudited half-yearly accounts shall be made up to 30th June in each year and the next unaudited report shall be made up to 30th June, 2008. Audited annual reports and unaudited half-yearly reports incorporating financial statements shall be posted to each Unitholder and any potential Unitholders at his registered address free of charge and will be made available for inspection at the registered office of the Manager.

The Trust Deed

The right of each Unitholder is to a beneficial interest under a trust constituted by the Trust Deed. The Trust Deed provides that:-

- (a) for each sub-fund the Manager shall keep or cause to be kept separate books in which all transactions relating to such sub-fund shall be recorded;
- (b) the proceeds from the issue of each class of unit shall be applied to the sub-fund established for that class of unit and the assets and liabilities and income and expenditure attributable thereto shall be applied to such sub-fund;
- (c) where any asset is derived from another asset, the derived asset shall be applied to the same sub-fund as the asset or assets from which it was derived and on each revaluation of an asset the increase or diminution in value shall be applied to the relevant sub-fund;
- (d) in the case of any asset which the Manager does not consider as attributable to a particular sub-fund, the Manager may, subject to the approval of the Trustee, determine the basis upon which any such asset shall be allocated between sub-funds in such manner as the Manager in its absolute discretion deems fair and reasonable and the Manager shall have power at any time and from time to time, subject to the approval of the Trustee, to vary such basis in respect of assets not previously allocated;

- (e) each sub-fund or each class of units in each sub-fund shall be charged with the liabilities, expenses, costs or charges in respect of or attributable to that sub-fund or class of units in that sub-fund and any such liabilities, expenses, costs or charges not attributable to any particular sub-fund or any class of units in a sub-fund shall be allocated and charged by the Manager in such manner as the Manager may in its discretion deem fair and equitable and as approved by the Trustee and the Manager shall have the power at any time and from time to time, with the consent of the Trustee, to vary such basis.

The assets of each sub-fund shall belong exclusively to that sub-fund, be segregated from the other sub-funds and shall not be used to discharge, directly or indirectly, the liabilities of, or claims against, any other sub-fund and shall not be available for any such purpose.

The Trust Deed may be amended by the Trustee and the Manager with the prior approval of the Financial Regulator but without the consent of any Unitholders: (1) to cure any ambiguity or to correct or supplement any provision which may be defective or inconsistent; or (2) to change any provision as may be required by the Financial Regulator or any successor government agency in Ireland; or (3) to make such provisions as shall not materially adversely affect the interests of the Unitholders; or (4) to alter the Trust Deed in such manner as may be necessary or expedient having regard to any fiscal enactment affecting the Fund; or (5) to make provision for the inclusion of additional Regulated Markets in the Trust Deed from time to time. The Trust Deed also may be amended in any respect by the Trustee and the Manager with the prior approval of the Financial Regulator and the approval of an ordinary resolution passed in accordance with the provisions described below, provided that no amendment will reduce the interest in any sub-fund of any Unitholder or reduce the percentage of units required to consent to any amendment without the consent of all Unitholders.

Meetings and Votes of Unitholders

The Manager or the Trustee may convene a meeting of Unitholders. The Trustee shall be obliged to convene a meeting of Unitholders if requested to do so by Unitholders holding not less than 15 per cent of the Units in the Fund or in a Sub-Fund. The quorum for any meeting of the Fund or of a Sub-Fund shall be Unitholders present in person or by proxy holding or representing at least one-tenth in number of the Units in the Fund or a Sub-Fund for the time being in issue.

Subject to the provisions of the Trust Deed, a meeting of Unitholders shall be competent by ordinary resolution to sanction any modification, alteration or addition to the Trust Deed, or to sanction any scheme for the reconstruction of the Fund. A meeting of Unitholders of a Sub-Fund shall be competent by ordinary resolution to sanction any modification or alteration to the investment objectives, policies, restrictions or prohibitions of a Sub-Fund. Each Unitholder shall be entitled to one vote in respect of each Unit (save that a fractional Unit shall not carry any voting rights) and each Unitholder may attend and vote at any such meeting in person or by proxy. A resolution approved in writing by Unitholders holding at least 50 per cent of the Units in the case of the Fund or of the Units in the case of a Sub-Fund shall for all purposes be treated as a duly passed ordinary resolution of the Fund or a Sub-Fund, as appropriate, and a resolution approved by at least 75 per cent shall be treated as an extraordinary resolution, as appropriate. All Units in the Fund shall carry equal voting rights, except that in matters affecting only a particular sub-fund, or a particular class of units, only units of that sub-fund or units of that class, as appropriate, shall be entitled to vote.

Termination

Either the Manager or the Trustee may terminate the Trust Deed and liquidate the Fund and each sub-fund: (1) if the Fund is no longer a qualifying specified collective investment undertaking for the purposes of Section 734 of the Taxes Consolidation Act, 1997 and if, in the opinion of the Manager, it ought to be terminated; or (2) if the Fund is no longer legal or, in the opinion of the Manager, it is impractical, inadvisable or no longer in the best interests of Unitholders to continue the Fund, taking into account its expenses, the aggregate size of the Fund and any other factors considered relevant by the Manager; or (3) if the Fund or, as the case may be, a Sub-Fund is no longer a UCITS pursuant to the Regulations. The Trustee may also terminate the Trust Deed and any Sub-Fund on the occurrence of certain events affecting the Manager. For details, see the section entitled "The Manager".

The Manager or the Trustee may terminate a Sub-Fund: (1) if, in the opinion of the Manager, it is impractical, inadvisable or no longer in the best interests of Unitholders to continue a Sub-Fund taking into account its expenses, the aggregate size of a Sub-Fund and any other factors considered relevant by the Manager; or (2) if the net asset value of a Sub-Fund on three successive Dealing Days after the first Dealing Day is less than U.S.\$1,000,000.

All of the Unitholders in the Fund or the Unitholders in a Sub-Fund may terminate the Fund or a Sub-Fund, as appropriate, by extraordinary resolution duly passed in accordance with the Trust Deed.

Written notice of liquidation of the Fund or a Sub-Fund must be given to all Unitholders. Within a reasonable period of time after the termination of the Fund or of a Sub-Fund the assets available for distribution (after satisfaction of creditors' claims) shall be distributed to Unitholders.

On the winding up of a Sub-Fund the assets of a Sub-Fund available for distribution (after satisfaction of creditors' claims) shall be distributed pro rata to the holders of the Units in that Sub-Fund and on a winding up of the Fund the assets of each sub-fund available for distribution (after satisfaction of creditors' claims) shall be distributed pro rata to the holders of the units in such sub-funds and the balance of any assets of the Fund then remaining and not comprised in any sub-funds shall be apportioned as between the sub-funds pro rata to the net asset value of each sub-fund immediately prior to any distribution to Unitholders and shall be distributed among the Unitholders of each sub-fund pro rata to the number of units in that sub-fund held by them. Distributions normally will be made by telegraphic transfer.

Litigation

Neither the Fund nor any of the Sub-Funds are involved in any litigation or arbitration and no litigation or claim is known to the Manager to be pending or threatened against the Fund or a Sub-Fund.

Material Contracts

The following contracts have been entered into and are, or may be, material:

- The Trust Deed dated 22nd November, 1995 as amended by a First Supplemental Trust Deed dated 18th December, 1995, the Second Supplemental Trust Deed dated 22nd July, 1996, the Third Supplemental Trust Deed dated 31st March, 1998, the Fourth Supplemental Trust Deed dated 14th April, 2000, the Fifth Supplemental Trust Deed dated 25th October, 2000, the Sixth Supplemental Trust Deed dated 27th September, 2004 and the Seventh Supplemental Trust Deed dated 5th February, 2007 each between the Former Trustee and the Manager and the Eighth Supplemental Trust Deed – Deed of Retirement and Appointment dated 16 January 2008 between the Manager, the Former Trustee and the Trustee (further details are set out in the section entitled “The Trustee”).
- The Administration Agreement dated 16 January 2008 between the Manager and the Administrator pursuant to which the latter was appointed administrator of the Fund (further details are set out in the section entitled “The Administrator”).
- The Investment Advisory Agreement dated 22nd November, 1995 between the Manager and the Investment Advisor pursuant to which the latter was appointed Investment Advisor to the Fund (further details are set out in the section entitled “The Investment Advisor”).
- The Hong Kong Representative Agreement dated 14 January 2008 between the Manager and the Hong Kong Representative whereby the latter was appointed as the representative in Hong Kong (further details are set out in the section entitled “The Hong Kong Representative”).
- The Distribution Agreement dated 8th December, 2003 between the Manager and TSC-Hourigan Asset Management Ltd pursuant to which the latter was appointed as a Distribution Agent of the Fund.
- The Distribution Agreement dated 19th May, 2004 between the Manager and Mellon Global Investments Limited pursuant to which the latter was appointed as a Distribution Agent of the Fund.
- The Paying Agency Agreement dated 29th July, 2004 between the Manager and NPB New Private Bank Ltd. pursuant to which the latter was appointed as the paying agent of the Fund in Switzerland.
- The Representation Agreement dated 14 January 2008 between the Manager and First Independent Fund Services pursuant to which the latter was appointed as the representative of the Fund in Switzerland.
- The Agreement dated 23rd July, 2004 between the Manager and Raiffeisen Zentralbank Österreich Aktiengesellschaft pursuant to which the latter was appointed as the formal paying and information agent and tax representative of the Fund in Austria.

- The Paying and Information Agency Agreement dated 5th July 2007 between the Manager and Marcard, Stein & Co AG pursuant to which the latter was appointed as paying and information agent of the Fund in Germany.

Supply and Inspection of Documents

The material contracts referred to above, the Notices issued by the Financial Regulator under the Regulations, together with a copy of the Regulations, are available for inspection at the offices of the Administrator and the Hong Kong Representative. Copies of the annual and semi-annual reports relating to a Sub-Fund most recently prepared and published by the Manager, the Trust Deed (subject to the payment of a charge, as the Manager may determine from time to time), the Prospectus and the Simplified Prospectus may be obtained by applicants upon request from the Manager and the Administrator.

Copies of the following documents may be obtained from the Hong Kong Representative or inspected during usual business hours at the registered office of the Hong Kong Representative at the addresses shown under “ENQUIRIES TO” at the end of this document:-

- (a) the Hong Kong Covering Document;
- (b) the Simplified Prospectuses;
- (c) the annual and semi-annual reports relating to a Sub-Fund most recently prepared and published by the Manager;
- (d) the Investment Advisory Agreement;
- (e) the Distribution Agreements;
- (f) the Hong Kong Representative Agreement; and
- (g) the Regulations and any relevant Financial Regulator Notices which relate to UCITS Notices.
- (h) a list of past and current directorships and partnerships held by each Director over the last five years.

ENQUIRIES TO:

The Bank of East Asia, Limited
Hong Kong Representative of Hamon Asian Funds
32nd Floor, BEA Tower, Millennium City 5
418 Kwun Tong Road, Kwun Tong
Kowloon,
Hong Kong

Special Information for Investors in Switzerland

The information herein forms part of and should be read in conjunction with the Prospectus for HAMON ASIAN FUNDS dated 16 January, 2008. Defined terms used in this information shall have the meaning given to them therein. Terms not defined herein shall have the meaning given to them in the Prospectus.

(a) Representative and Paying Agent in Switzerland

The Prospectus and Simplified Prospectuses, as translated into the German language and duly signed by the Sub-Funds, the Trustee and the Swiss Representative, governs the legal relationship between the Sub-Funds and investors in Switzerland.

Under the terms of a Representation Agreement dated 14 January 2008 made between the Manager and First Independent Fund Services, Klausstrasse 33, CH-8008 Zurich, Switzerland, the latter has been appointed as the representative of the Sub-Funds in Switzerland (the "Representative").

An annual flat fee of CHF15,000 for Hamon Asian Funds and an annual fee of CHF2,000 for each Sub-Fund shall be paid to the Representative and shall be borne by the particular Sub-Fund and any other Sub-Funds pro rata.

A supervision fee of up to CHF2,000 will be charged by the Representative per annum per distributor/sub-distributor with whom distribution agreements are entered into and who have to be supervised by the Representative pursuant to the Swiss Fund Association regulations.

Under the terms of the Paying Agency Agreement dated 29th July, 2004 made between the Manager and NPB New Private Bank Ltd., the latter has been appointed as the Paying Agent of the Fund in Switzerland.

The annual fee of CHF1,000 in respect of the paying agency services provided by the Paying Agent shall be borne by the Fund.

(b) Publications

The net asset value of the Units of the Fund, together with an indication "commissions excluded" (if any) will be published daily in the Neue Zürcher Zeitung ("NZZ").

Copies of the Trust Deed, the Prospectus, the Simplified Prospectuses, annual reports and semi-annual reports of the Fund may be obtained free of charge from the Representative in Zurich.

Publication in Switzerland relating to the Fund, in particular the publication of amendments of the Trust Deed and the Prospectus shall be made in the NZZ and the "Swiss Official Gazette of Commerce" (SHAB).

(c) Place of performance and place of jurisdiction

Place of performance and place of jurisdiction in respect of any disputes arising in connection with Units in the Fund distributed in Switzerland shall be at the place of the registered office of the Representative. The registered office of the Representative shall remain in place of performance and jurisdiction in case of cancellation of the sales authorisation of the Fund in Switzerland or upon its liquidation.

(d) Additional Risk Warnings and/or requirements in Switzerland

According to the provisions regarding Investment Techniques and Instruments (Schedule III), a Sub-Fund must ensure that its global exposure relating to FDI does not exceed its total Net Asset Value. This means that a Sub-Fund's overall risk exposure may not exceed 200% of the Net Asset Value. In addition, the risk exposure of a Sub-Fund may not be increased by more than 10% by means of temporary borrowing (see under "Borrowings"). The assets of a Sub-Fund together with its other risk exposure through borrowing may not exceed 210% of its Net Asset Value.

All the Sub-Funds are non-sophisticated UCITS in relation to which the commitment approach is applied as a risk management process, as set out in Schedule III of the Prospectus.

If hedged currency classes are created, the costs of the hedging transactions will be borne by the particular hedged currency class. However, currency hedging transactions in relation to one class comprise a potential

risk that liabilities arising from such transactions may affect the net asset value of the other classes of the same Sub-Fund where the costs of the hedging transactions cannot be met by the particular hedged currency class.

With regard to the distribution in Switzerland, out of the management fee reimbursements may be made to the following institutional investors who from a commercial perspective are holding Units for third parties:

- life insurance companies;
- pension funds and other retirement provision institutions;
- investment foundations;
- Swiss fund management companies;
- foreign fund management companies and providers;
- investment companies.

Out of the management fee the Manager pays Distribution Agents as more particularly described in the section entitled “The Distribution Agent(s)”. For the distribution in Switzerland, the Distribution Agents pay trail fees (if any) only to the sales agents/partners indicated below:

- authorized distributors and distributors exempted from the authorization requirement;
- sales partners who place Units exclusively with institutional investors with professional treasury facilities;
- sales partners who place Units with their clients exclusively on the basis of a written commission-based asset management mandate.

Additional Information for Austrian Investors

This Supplement contains information specific to Austrian investors regarding Hamon Asian Funds (the “Fund”). It forms part of and must be read in conjunction with the prospectus of the Fund dated •2008 (the “Prospectus”). All capitalized terms contained herein shall have the same meaning in this Supplement as in the Prospectus, unless otherwise indicated.

Pursuant to sec. 36 of the Austrian Investment Fund Act (*Investmentfondsgesetz*) (“the InvFG”), the Fund has notified the Austrian Financial Markets Authority of its intention to offer shares of the following Sub-Funds for sale to the public in Austria and has been granted the authorization to do so:

- Asian Market Leaders Fund
- Hamon Greater China Fund

The Manager

The Manager was established under the laws of Ireland and is neither regulated by nor under the supervision of any Austrian governmental authority. The Fund is the only fund managed by the Manager. The business year of the Manager ends on 31st December.

Formal Paying and Information Agent and Tax Representative

The Formal Paying and Information Agent and Tax Representative is Raiffeisen Zentralbank Österreich Aktiengesellschaft of Am Stadtpark 9, A-1030 Vienna, Austria (the “Formal Paying and Information Agent and Tax Representative”).

Being the Formal Paying and Information Agent in Austria, it shall be entitled to annual fee as set out in the table below, to be paid by the Manager who will be reimbursed by the Sub-Funds for such fee.

<i>Total number of sub-funds:</i>	<i>Annual fee per sub-fund:</i>
1 sub-fund	EUR 1,000.00 p.a.
2 to 5 sub-funds	EUR 700.00 p.a. per sub-fund
6 to 10 sub-funds	EUR 500.00 p.a. per sub-fund
11 to 19 sub-funds	EUR 450.00 p.a. per sub-fund
more than 19 sub-funds	EUR 400.00 p.a. per sub-fund

If the number of sub-funds increases or decreases, it requires prior notification to the Formal Paying and Information Agent and Tax Representative and such fee shall be charged in accordance with terms and conditions as set out in the Agreement dated 23rd July, 2004 made between the Manager and Formal Paying and Information Agent and Tax Representative.

Being the Tax Representative in Austria, it shall be entitled to an annual fee per unit class in each sub-fund as set out in the table below, to be paid by the Manager who will be reimbursed by the Sub-Funds for such fee.

<i>Total number of class of units:</i>	<i>Annual fee per class of units:</i>
1 class of units	EUR 1,400.00 p.a. per class of units
2 to 5 classes of units	EUR 1,200.00 p.a. per class of units
6 to 10 classes of units	EUR 1,000.00 p.a. per class of units
11 to 19 classes of units	EUR 700.00 p.a. per class of units
More than 19 classes of units	EUR 600.00 p.a. per class of units

If the number of sub-funds and classes of units increases or decreases, it requires prior notification to the Formal Paying and Information Agent and Tax Representative and such fee shall be charged in accordance with terms and conditions as set out in the Agreement dated 23rd July, 2004 made between the Manager and Formal Paying and Information Agent and Tax Representative.

Payments to unitholders may be transferred via the Formal Paying and Information Agent and Tax Representative and applications for redemptions of shares can be submitted to the Formal Paying and Information Agent and Tax

Representative who will handle the redemption of the shares and the payment of the redemption price to the investors according to the Prospectus and the Trust Deed and in co-operation with the Manager, the Administrator and the Trustee.

Available Documents and Information

The Trust Deed, the Prospectus, audited annual reports and the unaudited semi-annual reports of the Fund as well as other details concerning the Sub-Funds can be obtained during normal business hours on each working day (Saturday, Sunday and public holidays excluded) at no charge from the Paying and Information Agent. The material contracts referred to in the Prospectus may also be inspected at the offices of the Paying and Information Agent. The issue and repurchase prices of the shares will be published daily in **Der Standard** and on the webpage **www.derstandard.at** and are also obtainable from the Austrian Paying Agent as well as the Administrator, at its business address Guild House, Guild Street, Dublin 1, Ireland.

Tax considerations for Austrian investors

Due to the complexity of Austrian tax law on the treatment of shares/units in a non-Austrian investment fund we strongly recommend investors to seek professional advice by a tax lawyer or tax adviser.

Additional Information for Investors in Germany

The information herein forms part of and should be read in conjunction with the Prospectus for the Fund and the Sub-Funds dated 16 January 2008. Defined terms used in this information shall have the meaning given to them therein. Terms not defined herein shall have the meaning given to them in the Prospectus.

Hamon Ireland Limited as Manager of the Fund has notified the Bundesanstalt für Finanzdienstleistungsaufsicht (Federal Agency for Financial Services Supervision) pursuant to Section 132 Investmentgesetz (Investment Act) of its intention to publicly distribute Units of its Sub-Funds in the Federal Republic of Germany.

The Paying Agent in Germany (the "German Paying Agent") is
Marcard, Stein & Co AG
Ballindamm 36
20095 Hamburg

Redemption and switching requests for the Units can be lodged at the German Paying Agent.

Redemption proceeds, possible dividends and all other payments can be paid upon request of the Unitholders through the German Paying Agent and may also be paid out in cash to the Unitholders.

The Information Agent in Germany is
Marcard, Stein & Co AG
Ballindamm 36
20095 Hamburg

The Full Prospectus, the Simplified Prospectuses, the Trust Deed together with the First to Eighth Supplemental Trust Deeds, the Annual and Semi-Annual Reports as well as the Issue, Redemption und Switching Prices can be obtained free of charge at the Information Agent. All other documents mentioned under "General" "Documents for Inspection" can be inspected and obtained by Unitholders at the Information Agent. Issue and Redemption Prices as well as other notices to Unitholders will be published in the Börsen-Zeitung.

The Manager of the Fund intends to comply with the German fund tax calculation and fund tax reporting requirements pursuant to §§ 2, 3, 4, 5 and 8 of the Investmentsteuergesetz (Investment Tax Act) in order for each Sub-Fund of the Fund to qualify as a so-called "tax transparent" fund for the benefit of German fund investors. The Manager of the Fund can, however, not guarantee that such requirements will be met in practice. Failure to comply with the requirements may result in negative tax consequences for the German investor in a Sub-Fund of the Fund.

SCHEDULE I
The Regulated Markets

With the exception of permitted investments in unlisted securities, investment will be restricted to the following stock exchanges and markets. The Regulated Markets shall comprise any stock exchange in a member state of the European Union (except Cyprus) and also any investments listed, quoted or dealt in on any stock exchange in Australia, Canada, Japan, New Zealand, Norway or Switzerland which is a stock exchange within the meaning of the law of the country concerned relating to stock exchanges, any exchange registered with the Securities and Exchange Commission of the United States as a National Stock Exchange, NASDAQ, and the following stock exchanges and markets:

Bangalore Stock Exchange
Bombay Stock Exchange
Colombo Stock Exchange
Delhi Stock Exchange Association
Ganhati Stock Exchange
Hong Kong Stock Exchange
Hyderabad Stock Exchange
Jakarta Stock Exchange
Karachi Stock Exchange
Korea Stock Exchange
Kuala Lumpur Stock Exchange
Lahore Stock Exchange
Ludhiana Stock Exchange
Madras Stock Exchange
Makati Stock Exchange
Manila Stock Exchange
National Stock Exchange of India
Pakistan Stock Exchange
Philippine Stock Exchange
Pune Stock Exchange
Shanghai Stock Exchange (SSE)
Shenzhen Stock Exchange (SZSE)
Singapore Stock Exchange
Stock Exchange of Mauritius Ltd
Stock Exchange of Thailand
Taiwan Stock Exchange
Uttar Pradesh Stock Exchange Association
The over-the-counter market in the U.S. regulated by the National Association of Securities Dealers.
The market conducted by listed money market institutions as described in the Financial Services Authority publication entitled “The Regulation of the Wholesale Cash and OTC Derivatives Markets: The Grey Paper” (as amended from time to time).
The market organised by the International Securities Markets Association.
The market in U.S. government securities conducted by primary dealers regulated by the Federal Reserve Bank in New York.
The French market for “Titres de Creance Negotiable” (over-the-counter market in negotiable debt instruments).
The over-the-counter market in Canadian Government Bonds, regulated by the Investment Dealers Association of Canada

and for financial derivative instruments (“FDI”) investments the following exchanges and markets:

- (A) the market organised by the International Capital Markets Association; the over-the-counter market in the U.S. conducted by primary and secondary dealers regulated by the Securities and Exchange Commission and by the National Association of Securities Dealers, Inc. and by banking institutions regulated by the U.S. Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation; the market conducted by listed money market institutions as described in the Financial Services Authority

publication entitled “The Regulation of the Wholesale Cash and OTC Derivatives Markets”: “The Grey Paper” (as amended or revised from time to time); the over-the-counter market in Japan regulated by the Securities Dealers Association of Japan; AIM - the Alternative Investment Market in the UK, regulated by the London Stock Exchange; the French Market for Titres de Creance Negotiable (over-the-counter market in negotiable debt instruments); the over-the-counter market in Canadian Government Bonds regulated by the Investment Dealers Association of Canada; and

- (B) American Stock Exchange, Australian Stock Exchange, Bolsa Mexicana de Valores, Chicago Board of Trade, Chicago Board Options Exchange, Chicago Mercantile Exchange, Copenhagen Stock Exchange (including FUTOP), Eurex Deutschland, Euronext Amsterdam, OMX Exchange Helsinki, Hong Kong Stock Exchange, Kansas City Board of Trade, Financial Futures and Options Exchange, Euronext Paris, MEFF Rent Fiji, MEFF Renta Variable, Montreal Stock Exchange, New York Futures Exchange, New York Mercantile Exchange, New York Stock Exchange, New Zealand Futures and Options Exchange, OMLX The London Securities and Derivatives Exchange Ltd., OM Stockholm AB, Osaka Securities Exchange, Pacific Stock Exchange, Philadelphia Board of Trade, Philadelphia Stock Exchange, Singapore Stock Exchange, South Africa Futures Exchange (SAFEX), Sydney Futures Exchange, The National Association of Securities Dealers Automated Quotations System (NASDAQ); Tokyo Stock Exchange; TSX Group Exchange.

These exchanges and markets are listed in accordance with the requirements of the Financial Regulator which does not issue a list of approved exchanges and markets.

SCHEDULE II
Investment Restrictions

1	Permitted Investments
	Investments of a UCITS are confined to:
1.1	Transferable securities and money market instruments which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State.
1.2	Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
1.3	Money market instruments, as defined in the UCITS Notices, other than those dealt on a regulated market.
1.4	Units of UCITS.
1.5	Units of non-UCITS as set out in the Authority's Guidance Note 2/03.
1.6	Deposits with credit institutions as prescribed in the UCITS Notices.
1.7	Financial derivative instruments as prescribed in the UCITS Notices.
2	Investment Restrictions
2.1	A UCITS may invest no more than 10% of net assets in transferable securities and money market instruments other than those referred to in paragraph 1.
2.2	A UCITS may invest no more than 10% of net assets in recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described in paragraph 1.1) within a year. This restriction will not apply in relation to investment by the UCITS in certain US securities known as Rule 144A securities provided that: <ul style="list-style-type: none"> - the securities are issued with an undertaking to register with the US Securities and Exchanges Commission within one year of issue; and - the securities are not illiquid securities i.e. they may be realised by the UCITS within seven days at the price, or approximately at the price, at which they are valued by the UCITS.
2.3	A UCITS may invest no more than 10% of net assets in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%. This limitation does not apply to deposits and over the counter derivative transactions made with financial institutions.
2.4	The limit of 10% (in 2.3) is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. If a Fund invests more than 5% of its net assets in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the net asset value of the Fund. The Trust will not avail of this provision.
2.5	The limit of 10% (in 2.3) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.
2.6	The transferable securities and money market instruments referred to in 2.4. and 2.5 shall not be taken into account for the purpose of applying the limit of 40% referred to in 2.3.
2.7	A UCITS may not invest more than 20% of net assets in deposits made with the same credit institution.
	Deposits with any one credit institution, other than credit institutions authorised in the EEA or credit institutions authorised within a signatory state (other than an EEA Member State) to the Basle Capital

	<p>Convergence Agreement of July 1998 and credit institutions authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand, held as ancillary liquidity, must not exceed 10% of net assets.</p> <p>This limit may be raised to 20% in the case of deposits made with the trustee/custodian.</p>
2.8	<p>The risk exposure of a UCITS to a counterparty to an OTC derivative may not exceed 5% of net assets.</p> <p>This limit is raised to 10% in the case of credit institutions authorised in the EEA or credit institutions authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1998 and credit institutions authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.</p>
2.9	<p>Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of net assets:</p> <ul style="list-style-type: none"> - investments in transferable securities or money market instruments; - deposits, and/or - risk exposures arising from OTC derivatives transactions.
2.10	<p>The limits referred to in 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above may not be combined, so that exposure to a single body shall not exceed 35% of net assets.</p>
2.11	<p>Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20% of net assets may be applied to investment in transferable securities and money market instruments within the same group.</p>
2.12	<p>A UCITS may invest up to 100% of net assets in different transferable securities and money market instruments issued or guaranteed by any Member State, its local authorities, non-Member States or public international body of which one or more Member States are members.</p> <p>The individual issuers must be listed in the prospectus and may be drawn from the following list: OECD Governments (provided the relevant issues are investment grade), European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, International Monetary Fund, Euratom, The Asian Development Bank, European Central Bank, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and Development (The World Bank), The Inter-American Development Bank, European Union, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie Mae), Student Loan Marketing Association (Sallie Mae), Federal Home Loan Bank, Federal Farm Credit Bank, Tennessee Valley Authority.</p> <p>The UCITS must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of net assets.</p>
3	Investment in Collective Investment Schemes (“CIS”)
3.1	<p>A UCITS may invest in CIS of the open-ended type if the CIS are within the meaning of Regulation 3(2) and are prohibited from investing more than 10 per cent. of net assets in other CIS. A UCITS may not invest more than 20% of net assets in any one CIS.</p>
3.2	<p>Investment in non-UCITS may not, in aggregate, exceed 30% of net assets.</p>
3.3	<p>When a UCITS invests in the units of other CIS that are managed, directly or by delegation, by the UCITS management company or by any other company with which the UCITS management company is linked by common management or control, or by a substantial direct or indirect holding of 10% of the capital or voting rights, that management company or other company may not charge subscription, conversion, redemption or management fees on account of the UCITS investment in the units of such other CIS.</p>
3.4	<p>Where a commission (including a rebated commission) is received by the UCITS manager/investment manager/investment adviser by virtue of an investment in the units of another CIS, this commission must be paid into the property of the UCITS.</p>

4	Index Tracking UCITS
4.1	A UCITS may invest up to 20% of net assets in shares and/or debt securities issued by the same body where the investment policy of the UCITS is to replicate an index which satisfies the criteria set out in the UCITS Notices and is recognised by the Authority
4.2	The limit in 4.1 may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions.
5	General Provisions
5.1	An investment company, or management company acting in connection with all of the CIS it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
5.2	<p>A UCITS may acquire no more than:</p> <ul style="list-style-type: none"> (i) 10% of the non-voting shares of any single issuing body; (ii) 10% of the debt securities of any single issuing body; (iii) 25% of the units of any single CIS; (iv) 10% of the money market instruments of any single issuing body. <p>NOTE: The limits laid down in (ii), (iii) and (iv) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments, or the net amount of the securities in issue cannot be calculated.</p>
5.3	<p>5.1 and 5.2 shall not be applicable to:</p> <ul style="list-style-type: none"> (i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities; (ii) transferable securities and money market instruments issued or guaranteed by a non-Member State; (iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members; (iv) shares held by a UCITS in the capital of a company incorporated in a non-member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the UCITS can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits laid down in 2.3 to 2.11, 3.1, 3.2, 5.1, 5.2, 5.4, 5.5 and 5.6, and provided that where these limits are exceeded, paragraphs 5.5 and 5.6 below are observed. (v) shares held by an investment company or investment companies in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of units at unit-holders' request exclusively on their behalf.
5.4	UCITS need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.
5.5	The Authority may allow recently authorised UCITS to derogate from the provisions of 2.3 to 2.12, 3.1, 3.2 4.1 and 4.2 for six months following the date of their authorisation, provided they observe the principle of risk spreading.
5.6	If the limits laid down herein are exceeded for reasons beyond the control of a UCITS, or as a result of the exercise of subscription rights, the UCITS must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its unitholders.
5.7	<p>Neither an investment company, nor a management company or a trustee acting on behalf of a unit trust or a management company of a common contractual fund, may carry out uncovered sales of:</p> <ul style="list-style-type: none"> - transferable securities; - money market instruments; - units of CIS; or - financial derivative instruments.
5.8	A UCITS may hold ancillary liquid assets.

SCHEDULE III

Investment Techniques and Instruments

Permitted Financial Derivative Instruments (“FDI”)

1. A UCITS may invest in FDI provided that:
 - (i) the relevant reference items or indices consist of one or more of the following: transferable securities, money market instruments, collective investment schemes, deposits, financial indices, interest rates, foreign exchange rates or currencies; and
 - (ii) the FDI do not expose the UCITS to risks which it could not otherwise assume (e.g. gain exposure to an instrument/issuer/currency to which the UCITS cannot have a direct exposure); and
 - (iii) the FDI do not cause the UCITS to diverge from its investment objectives.
2. FDI must be dealt in on a Regulated Market, a market that operates regularly and is recognised and open to the public.
3. Notwithstanding paragraph 2, a UCITS may invest in FDI dealt in over-the-counter (“**OTC derivatives**”) provided that:
 - (i) the counterparty is a credit institution listed in sub-paragraphs 7(i), (ii) and (iii) of the Financial Regulator Notice UCITS 9 or an investment firm, authorised in accordance with the Investment Services Directive, in an EEA Member State;
 - (ii) in the case of a counterparty which is not a credit institution, the counterparty has a minimum credit rating of A2 or equivalent, or is deemed by the UCITS to have an implied rating of A2. Alternatively, an unrated counterparty will be acceptable where the UCITS is indemnified against losses suffered as a result of a failure by the counterparty, by an entity which has and maintains a rating of A2;
 - (iii) risk exposure to the counterparty does not exceed the limits set out in paragraph 13 of the Financial Regulator Notice UCITS 9;
 - (iv) the UCITS is satisfied that the counterparty will value the transaction at least daily and will close out the transaction at any time at the request of the UCITS at fair value; and
 - (v) the UCITS has systems in place to ensure that valuations of OTC derivatives are reliable. The valuation provided by the counterparty must be verified independently at least weekly.
4. Risk exposure to an OTC derivative counterparty may be reduced where the counterparty will provide the UCITS with collateral and:
 - (i) the collateral falls within the categories of permitted collateral set out in paragraph 2(i), (ii), (iii) and (iv) of UCITS Notice 12;
 - (ii) collateral is:
 - marked to market daily;
 - transferred to the trustee, or its agent; and
 - immediately available to the UCITS, without recourse to the counterparty, in the event of a default by that entity;
 - (iii) in the case of non-cash collateral, the collateral:
 - cannot be sold or pledged
 - has a minimum credit rating of A or equivalent;

- is held at the credit risk of the counterparty; and
- is issued by an entity independent of the counterparty;

(iv) in the case of cash collateral, the collateral may not be invested other than in the following:

- deposits with Relevant Institutions, which are capable of being withdrawn within 5 working days;
- government or other public securities which have a minimum credit rating of A or equivalent;
- certificates of deposit issued by Relevant Institutions, which have a minimum credit rating of A or equivalent;
- repurchase agreements, in accordance with the provisions of UCITS Notice 12, provided the collateral received under the agreements meets with the requirements of this paragraph; and/or
- daily dealing money market funds which have a minimum credit rating of AAA or equivalent. If investment is made in a linked fund, as described in paragraph 5, UCITS Notice 9, no subscription, conversion or redemption charge can be made by the underlying money market fund.

Invested cash collateral which is held at the credit risk of the UCITS, other than cash collateral invested in government or other public securities or money market funds, must be diversified so that no more than 20 per cent. of the collateral is invested in the securities of, or placed on deposit with, one institution.

Invested cash collateral may not be placed on deposit with or invested in securities issued by the counterparty or a related entity.

5. Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in Schedule II. This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in Regulation 49A of the Regulations.

Cover requirements

6. A UCITS must ensure that its global exposure relating to FDI does not exceed its total Net Asset Value. Global exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions. A UCITS may not therefore be leveraged in excess of 100 per cent. of net asset value.
7. A transaction in FDI which gives rise, or may give rise, to a future commitment on behalf of a UCITS must be covered as follows:
 - (i) in the case of FDI which require physical delivery of the underlying asset, the asset must be held at all times by a UCITS. Alternatively a UCITS may cover the exposure with sufficient liquid assets where:
 - the underlying assets consists of highly liquid fixed income securities; and/or
 - the UCITS considers that the exposure can be adequately covered without the need to hold the underlying assets, the specific FDI are addressed in the risk management process, which is described below, and details are provided in the Prospectus;
 - (ii) in the case of FDI which automatically, or at the discretion of the UCITS, are cash settled, or in the case of FDI where the underlying assets consist of highly liquid fixed income securities, a UCITS must hold, at all times, liquid assets which are sufficient to cover the exposure.

Risk management

- 8 (i) A UCITS must employ a risk management process to monitor, measure and manage the risks

attached to FDI positions.

- (ii) A UCITS must provide the Financial Regulator with details of its proposed FDI activity and risk assessment methodology. The initial filing is required to include information in relation to:
 - Permitted types of FDI, including embedded derivatives in transferable securities and money market instruments;
 - Details of the underlying risks;
 - Relevant quantitative limits and how these will be monitored and enforced;
 - Methods for estimating risks.
 - (iii) Material amendments to the initial filing must be notified to the Financial Regulator in advance. The Financial Regulator may object to the amendments notified to it and amendments and/or associated activities objected to by the Financial Regulator may not be made.
9. A UCITS must submit a report to the Financial Regulator on its FDI positions on an annual basis. The report, which must include information under the different categories identified in paragraph 8(ii) above, must be submitted with the annual report of the Company. A UCITS must, at the request of the Financial Regulator, provide this report at any time.

Repurchase Agreements, Reverse Repurchase Agreements and Stocklending Agreements

- (i) Repurchase/reverse repurchase agreements (“**repo contracts**”) and stocklending agreements may only be effected in accordance with normal market practice.
- (ii) Collateral obtained under a repo contract or stocklending agreement must be in the form of one of the following:
 - (a) cash;
 - (b) government or other public securities;
 - (c) certificates of deposit issued by Relevant Institutions;
 - (d) bonds/commercial paper issued by Relevant Institutions;
 - (e) letters of credit with a residual maturity of three months or less, which are unconditional and irrevocable and which are issued by Relevant Institutions.
 - (f) deliveries by value (“**DBVs**”) within the CREST clearing system, or comparable Central Securities Depositories Systems instruments, provided that:
 - they are subject to a concentration limit;
 - the subject securities fall into one of the categories listed under (b) to (e) above, or the securities are a constituent part of a recognised index such as the FTSE 100; and
 - the subject securities are consistent with the investment objectives and policies of the UCITS.
- (iii) Until the expiry of the repo contract or stocklending transaction, collateral obtained under such contracts or transactions
 - (a) must equal or exceed, in value, at all times the value of the amount invested or securities loaned;
 - (b) must be transferred to the custodian, or its agent;
 - (c) must be marked to market daily; and

- (d) must be immediately available to the UCITS, without recourse to the counterparty, in the event of a default by that entity.
- (iv) Non-cash collateral:
 - (a) cannot be sold or pledged;
 - (b) must be held at the credit risk of the counterparty;
 - (c) must be issued by an entity independent of the counterparty;
- (v) Cash collateral:

Cash may not be invested other than in the following:

- (a) deposits with Relevant Institutions which are capable of being withdrawn within 5 working days, or such shorter time as may be dictated by the repo contract or stocklending agreement;
- (b) government or other public securities;
- (c) certificates of deposit as set out in paragraph (ii) (c) above;
- (d) letters of credit as set out in paragraph (ii) (e) above;
- (e) repurchase agreements, subject to the provisions herein;
- (f) daily dealing money market funds which have and maintain a rating of AAA or equivalent. If investment is made in a linked fund, as described in paragraph 5, UCITS Notice 9 issued by the Financial Regulator no subscription, redemption or conversion charge can be made by the underlying money market fund.

Invested cash collateral held at the credit risk of the UCITS, other than cash collateral invested in government or other public securities or money market funds, must be diversified so that no more than 20 per cent. of the collateral is invested in the securities of, or placed on deposit with, one institution.

Invested cash collateral may not be placed on deposit with, or invested in securities issued by the counterparty or a related entity.

- (vi) Notwithstanding the provisions of paragraph (iii) above, a UCITS may enter into stocklending programmes organised by generally recognised Central Securities Depositories Systems provided that the programme is subject to a guarantee from the system operator.
- (vii) The counterparty to a repo contract or stocklending agreement must have a minimum credit rating of A2 or equivalent, or must be deemed by the UCITS to have an implied rating of A2. Alternatively, an unrated counterparty will be acceptable where the UCITS is indemnified against losses suffered as a result of a failure by the counterparty, by an entity which has and maintains a rating of A2.
- (viii) A UCITS must have the right to terminate the stocklending agreement at any time and demand the return of any or all of the securities loaned. The agreement must provide that, once such notice is given, the borrower is obligated to redeliver the securities within 5 Business Days or other period as normal market practice dictates.
- (ix) Repo contracts or stocklending agreements do not constitute borrowing or lending for the purposes of Regulation 70 and Regulation 71 of the Regulations respectively.