

Cubic Property Fund Limited

**(an open-ended no par value non-cellular investment company incorporated with limited liability in
Guernsey, with registered number 53619)**

Prospectus

Table of Contents

Regulatory Details	2
Definitions	5
Directory	8
Management and Administration	9
The Fund	9
The Directors	9
The Administrator	10
The Investment Adviser	10
The Custodian	10
Register	11
Investment Objectives & Policy	12
Investment Restrictions	12
Dealing Procedures	13
Dealing Prices	20
Subscription & Redemption Prices	20
Publication of Prices	20
Fees & charges	21
The Administrator	21
The Custodian	21
Performance Fee	21
The Investment Adviser	21
Initial charge	21
Directors Fees	21
Redemption Charges	21
Fund Expenses	21
Valuations	23

Valuation Times & Principles	23
Taxation Issues	24
Tax Considerations (General)	24
Tax Considerations (Guernsey)	24
Tax Considerations (United Kingdom)	27
<i>Variation of Class Rights</i>	29
Supplements	32
Material Contracts	34
Principal Terms	34
Indemnities	35
Conflicts of Interest	35
Directors' Interests	35
Directors of the Administrator	36
Risk Factors	37
Additional Information	39
Incorporation of the Fund and migration to Guernsey	39
Reports and Accounts	39
Meetings	39
Notices	39
General	40
Documents to inspect	40

Regulatory Details

This document relating to the Cubic Property Fund Limited together with the relevant Supplement for each Class Fund comprises a prospectus for the purposes of and prepared in accordance with the Collective Investment Schemes (Class B) Rules 2013, as published by the Guernsey Financial Services Commission (the “**Commission**”).

To the best of the knowledge and belief of the Directors of the Fund (who have taken all reasonable care to ensure that such is the case), the facts stated herein are true and accurate in all material respects and there are no other material facts, the omission of which would make misleading any statement herein whether of fact or opinion. All the Directors accept responsibility accordingly.

No person receiving a copy of this Prospectus and an Application Form in any territory other than the Bailiwick of Guernsey may treat the same as constituting an invitation to him to participate in the Fund nor should he in any event use such form unless in the relevant territory such an invitation could lawfully be made to him or such form could lawfully be used without compliance with any registration or other legal requirements. The distribution of this document and the offering of interests in the Fund may be restricted and accordingly any person outside the Bailiwick of Guernsey wishing to make an application hereunder should satisfy himself as to the observance of the laws of any relevant territory including obtaining any requisite governmental or other consents or observing any other requisite formalities.

Distribution of this Prospectus, with or without any accompanying Supplements, in any jurisdiction is not authorised unless accompanied by such statement, reports and accounts as are required by the CISE. Such statements, reports and accounts and this Prospectus and the relevant Supplements together form the listing documents for the issue of Shares under the CISE rules for Channel Islands listings and/or (to the extent so stated in any Supplements) the rules of any other relevant Stock Exchange.

Shares are offered for subscription on the basis of the information and representations contained in this Prospectus. Neither the delivery of this Prospectus nor the sale of Shares hereunder shall create any implication that there has been no material change in the affairs of the Fund since the date hereof. To reflect material changes, this Prospectus may from time to time be updated and intending subscribers should enquire of the Administrator as to the issue by the Fund of any later Prospectus.

Applications will be made to the CISE for the Shares to be issued by the Fund to be admitted to the Official List. This Prospectus, when accompanied by the relevant Supplement for each Class Fund, comprises listing documents for the purposes of such application for the relevant Shares.

This listing document includes information given in compliance with the listing rules of the CISE for the purpose of giving information with regard to the Fund. Neither the admission of any Classes to the Official List nor the approval of this document pursuant to the listing requirements of the CISE shall constitute a warranty or representation by the CISE as to the competence of the service providers to or any other party connected with the Fund, the adequacy and accuracy of information contained in this document or the suitability of the Fund for investment or for any other purpose.

There can be no assurance that an active secondary market will develop in the Shares on any stock exchange.

The Fund is governed by the Protection of Investors (Bailiwick of Guernsey) Law, 1987 as amended (the “**POI Law**”). The Commission has authorised the Fund as a Class B Collective Investment Scheme under the POI Law. It must be distinctly understood that in giving this authorisation the Commission does not vouch for the financial soundness or the correctness of any of the statements made or opinions expressed with regard to the Fund. Investors in the Fund are not eligible for the payment of any compensation under the Collective Investment Schemes (Compensation of Investors) Rules 1988 made under the POI Law.

The Shares have not been and will not be registered under the United States Securities Act of 1933 as amended

or registered or qualified under the securities laws of any state of the United States and the Fund has not and will not be registered under the United States Investment Company Act of 1940 (the “**1940 Act**”) as amended. Accordingly, the Shares may not be offered, sold, transferred or delivered directly or indirectly in the United States of America including the States and the District of Columbia and the Commonwealth of Puerto Rico (which term includes its territories, possessions and all other areas subject to its jurisdiction) or to citizens, nationals or residents thereof (“**U.S. Persons**”) (including any corporation, partnership or other entity created or organised under the laws of the United States or of any political sub-division thereof or an estate or trust the income of which is subject to United States federal income tax) except pursuant to an exemption from the registration requirements of the United States Securities Act of 1933.

AIFM Directive

Until 22 July 2015 (at the earliest) the Alternative Investment Fund Managers Directive (2011/61/EU) (“AIFMD”) only permits alternative investment fund managers (“AIFM”) (such as the Investment Manager) established outside the EEA to market an alternative investment fund (an “AIF”) (such as the Fund) to investors in the EEA pursuant to national private placement exemptions for the marketing of AIFs by non-EEA AIFMs, which EEA member states may elect to allow pursuant to the AIFMD. The availability of private placement exemptions in each EEA member state is dependent on that member state permitting it. AIFMD also introduces certain additional requirements before a non-EEA AIF can be marketed pursuant to these national private placement exemptions. These include a requirement to comply with certain transparency provisions as set out in AIFMD and a requirement that the relevant authorities in the country of domicile of the AIF and its AIFM enter into a co-operation agreement with each of the European Economic Area (“EEA”) member states where the AIF is to be marketed. For these purposes, “marketing” does not include marketing at the initiative of the relevant investor.

It is the Investment Manager’s current intention to rely upon such private placement exemptions and/or not market Shares to investors in the EEA other than at the initiative of such investors. AIFMD is still being implemented in many member states. Any regulatory changes arising from such implementation that limit the Investment Manager’s ability to market Shares in the future may materially adversely affect the Fund’s ability to continue to implement its investment approach and achieve its investment objective. It is difficult to predict the precise impact of AIFMD on the Fund and the Investment Manager. The Directors and/or the Investment Manager will continue to monitor the position and reserve the right to adopt such arrangements as they deem necessary or desirable to comply with the applicable requirements of the AIFMD including, but not limited to, making any relevant filings in order to market Shares to professional investors in the EEA.

United States (U.S.) tax withholding and reporting under the Foreign Account Tax Compliance Act (FATCA) and equivalent arrangements with the UK and around the world

The U.S. Congress has enacted the FATCA provisions of the U.S. Hiring Incentives to Restore Employment Act 2010. Under FATCA, the Fund could become subject to a 30% withholding tax on certain payments to the Fund of (or attributable to) U.S. source income if it is not resident in a jurisdiction with which the US has an intergovernmental agreement relating to FATCA (an “**IGA**”), does not enter into an agreement with the U.S. Internal Revenue Service (the “**IRS**”) requiring the Fund to obtain information about its Shareholders and to disclose information about certain Shareholders to the IRS, or if it is not otherwise exempt or deemed compliant, is unable to obtain required information with respect to its financial accounts (including equity interests in the Fund) held by U.S. Shareholders and certain non-U.S. Shareholders that are wholly or partially owned by U.S. persons, or otherwise fails to satisfy its obligations under the agreement with the IRS, or under applicable legislation implementing an IGA. The new withholding regime will be phased in beginning in 2014. As a result, Shareholders may be required to provide any information that the Fund determines is necessary to avoid the imposition of such withholding tax or in order to allow the Fund to satisfy its obligations, and failure by Shareholders to do so could have a material adverse impact on the Fund’s financial performance and the value of the Shares. Moreover, the Fund may require a Shareholder to sell or transfer its Shares if it fails to provide the

Fund with the information necessary to comply with FATCA. For additional information, including in relation to the IGA between the US and Guernsey, see the section headed "Taxation" of this Memorandum.

Following the US implementation of FATCA other jurisdictions are considering (and, in some cases are currently in the process of implementing, or, have implemented (such as in the case of the United Kingdom with certain jurisdictions such as Guernsey)), their own versions of FATCA. While the precise scope and requirements of such other proposed versions of FATCA are not currently known, it is apparent that such rules will, where implemented, require the Fund to disclose certain information about Shareholders, their ultimate beneficial owners and/or controllers, and their investment in and returns from the Fund, to relevant tax authorities (for sharing with other relevant tax authorities).

General

It should be remembered that the price of Shares and income from them can go down as well as up and their value is not guaranteed. Please refer to the specific risk factors which are specified on pages 33 and 34.

The Fund is suitable only for financially sophisticated, high net worth or institutional investors and prospective investors must fall within one or more of these categories and understand and accept the potential risks associated with this type of investment, it being further understood that such risks could lead to a loss of all or a substantial portion of their investment.

Prospective investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or any other matters and are recommended to consult their own professional advisers concerning the acquisition, holding or disposal of the Shares.

This Prospectus is dated 21 April 2016.

Definitions

In addition to the definitions contained within this Prospectus, the following definitions shall apply. Unless the context otherwise requires and except as defined herein, words and expressions in this Prospectus shall have the meaning as in the Fund's Articles of Incorporation.

"Administrator" means the administrator of the Fund from time to time, being the designated manager for the purposes of the Fund Rules.

"Approved Bank" means any corporate body:-

- (i) which is licensed to carry on deposit-taking business under the Banking Supervision (Bailiwick of Guernsey) law, 1994 or registered to carry on deposit taking business under the Banking Business (Jersey) Law, 1991; or
- (ii) which is designated for such purpose for the time being by the Directors and which is an authorised person for the purposes of the Financial Services and Markets Act 2000 ("**FSMA**") of the United Kingdom (or any statutory modification or re-enactment thereof) with permission *inter alia* to carry on the regulated activity of accepting deposits for the purposes of FSMA; or
- (iii) whose bills are eligible for discount at the Central Bank of the country (being a member of the Organisation for Economic Co-operation and Development) where the principal place of business of such body is situate; and
- (iv) whose capital is not less than five hundred million United States dollars (US\$500,000,000), or its equivalent, in shareholders' funds, as quoted in the July edition of "The Banker" magazine, published by Financial Times Business Publishing Limited, or as shown by such other publication as the Directors shall determine.

"Articles of Incorporation" mean the articles of incorporation of the Fund.

"Business Day" means any weekday on which banks in Guernsey are open for normal business until 4.00 pm Guernsey time.

"CISE" means the Channel Islands Securities Exchange.

"Class Fund" means a separate pool of property maintained in respect of one or more Classes.

"Class" means each class of shares in the capital of the Fund. Details of Classes will be set out in the Supplement attached hereto.

"Commission" means the Guernsey Financial Services Commission.

"Companies Law" means the Companies (Guernsey) Law, 2008 as amended together with subordinate legislation made thereunder.

"C Shares" means participating non-redeemable shares in the capital of the Fund, having the rights provided for under the relevant Supplement.

"Custodian" means the custodian of the Fund from time to time, being the designated custodian for the purposes of the Fund Rules.

"Dealing Day" means a Subscription Day or Redemption Day as appropriate.

"Directors" mean the directors of the Fund.

"Eligible Investor" means a person (1) able to acquire Shares without violating applicable laws, including those concerning money laundering, and (2) holding Shares of any Class having a total value of not less than the Minimum Holding relating to that Class whether such Shares are held by that person directly or beneficially owned by such person; and (3) who meets any additional suitability standards as the Directors may, in their absolute discretion, impose from time to time in order to comply with applicable laws and regulation.

"FATCA" means the United States Foreign Account Tax Compliance Act provisions of the US Hiring Incentives to Restore Employment Act 2010, which implemented sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), any agreements entered into pursuant to section 1471(b)(1) of the Code, any intergovernmental agreements entered into in connection with the implementation of such sections of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to such intergovernmental agreements entered into in connection with sections 1471 through 1474 of the Code.

"Fund" means Cubic Property Fund Limited.

"Fund Rules" means the Collective Investment Schemes (Class B) Rules 2013, as published by the Guernsey Financial Services Commission from time to time.

"Gross Asset Value" or "**GAV**" means NAV plus capital value of debt finance of property holding SPVs.

"Lock-up Date" means the date, as specified in the relevant Supplement, before which the P Shares may not be redeemed at the request of the Shareholder, except with the prior consent of the Directors.

"Minimum Holding" means £25,000 or the currency equivalent thereof or such other amount as may be specified in a Supplement.

"NAV" means the net asset value of each Class Fund and the net asset value per Share, as the context may require, calculated in accordance with this Prospectus and the relevant Supplement.

"Near Cash" means money in a current account or money in a deposit account with an Approved Bank which can be withdrawn immediately and without payment of a penalty exceeding more than seven days' interest calculated at ordinary commercial rates.

"Offer" means each offering of Shares for subscription as described in this Prospectus and the relevant Supplement.

"Offer Periods" mean the periods for which the relevant Offer is to be made available for acceptance as indicated in each Supplement.

"Official List" means the official list of the Channel Islands Securities Exchange.

"Participating Shares" means the participating redeemable shares in the capital of the Fund.

"POI Law" means the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended, together with subordinate legislation made thereunder.

"P Shares" means the participating preference shares in the capital of the Fund, having the rights provided for under the relevant Supplement.

"Redemption Days" means such Business Days as are specified in the Supplement relating to each Class or such other additional Business Day or Business Days as may be agreed between the Directors from time to time

in relation to one or more Classes.

"Redemption Price" means the price at which Shares will be redeemed, determined by reference to the NAV of the Class Fund calculated on the Redemption Day at the Valuation Point and any redemption charge imposed.

"Shares" means shares in the capital of the Fund from time to time, including (as the context requires) the Participating Shares, the C Shares and/or the P Shares but excluding the founder shares.

"Shareholders" mean the holders of Shares.

"SPV" means a special purpose vehicle established for the purpose of holding specific properties or other assets of the Fund or a Class Fund (directly or indirectly) and "SPVs" shall be construed accordingly.

"Subscription Days" means such Business Days as are specified in the Supplement relating to each Class or such other additional Business Day or Business Days as may be agreed between the Directors from time to time in relation to one or more Classes.

"Subscription Price" means the price at which Shares will be issued, determined by reference to the NAV of the Class Fund calculated on the relevant Subscription Day at the Valuation Point.

"Supplement" means each supplemental prospectus relating to one or more Classes which will be attached hereto for the relevant Class.

"Valuation Day" means the Business Day preceding a Subscription Day or Redemption Day, as the case may be or such other day specified in the relevant Supplement.

"Valuation Point" means 5.00 pm Guernsey time on the Valuation Day or such other point in time specified in the relevant Supplement.

Directory

The Fund

Cubic Property Fund Limited
PO Box 393
Kingsway House
Havilland Street
St Peter Port
Guernsey
GY1 3FN

Administrator, Secretary and Registrar

Cannon Asset Management Limited
PO Box 393
Kingsway House
Havilland Street
St Peter Port
Guernsey
GY1 3FN

Custodian

ABN AMRO (Guernsey) Limited
PO Box 253
Martello Court
Admiral Park
St Peter Port
Guernsey
GY1 3QJ

Auditors and Tax Adviser

Moore Stephens
PO Box 146
Town Mills South
La Rue du Pré
St Peter Port
Guernsey
GY1 3HZ

The Directors

Richard van Vliet
Eric Mounier
Michael Fienberg
Kerry Fynn

Investment Adviser

Montreux Advisers Limited
Kingsway House
Havilland Street
St Peter Port
Guernsey
GY1 3FN

Guernsey Legal Advisers

Carey Olsen
Carey House
Les Banques
St Peter Port
Guernsey
GY1 4BZ

Channel Islands Securities Exchange Listing Sponsor

Cannon Secretaries Limited
PO Box 393
Kingsway House
Havilland Street
St Peter Port
Guernsey
GY1 3FN

Management and Administration

The Fund

The Fund is registered in Guernsey with registered number 53619 as a non-cellular company limited by shares under the provisions of the Companies Law.

The Fund is an open-ended investment company in that it may issue and redeem participating shares which represent the rights of investors at prices based on the underlying value of the property of the Fund.

The constitution of the Fund is defined in its Memorandum and Articles of Incorporation. The Articles of Incorporation allow for more than one class of Share to be issued.

A separate pool of property will be maintained in respect of one or more Classes (each a "**Class Fund**"). A Class Fund consists of all property for the time being representing all consideration received by the Fund on the issue of the relevant Shares including the assets, liabilities, income and expenditure attributable thereto.

The Directors may create additional Classes and must prior to the issue of Shares in such Classes issue a Supplement setting out any alterations to, or information supplemental to, this Prospectus in relation to the relevant Class.

The Commission has authorised the Fund as a Class B Collective Investment Scheme under the POI Law.

No limit has been set with respect to the duration of the Fund. Subject to the provisions of the Companies Law, it will come to an end following the passing of a special resolution by the shareholders to wind-up the Fund.

The Directors

Richard Christopher van Vliet

Richard obtained a Bachelor of Accountancy Degree at the University of the Witwatersrand and qualified as a Chartered Accountant with Price Waterhouse in Johannesburg in 1983. On leaving Price Waterhouse he became the sole proprietor of an audit practice in Johannesburg, with work biased towards international mergers and acquisitions, taxation and financial structures. From 1995 until mid-1997 he also represented the Jersey General Group, an offshore investment group of companies, in Johannesburg. He relocated to Guernsey in August 1997 to help establish Cannon Asset Management Limited where he is now the managing director. He previously held the chairmanship of Cannon Asset Managers (Pty) Ltd, prior to the group sale of this investment management company which is registered in South Africa. He also held the position of a main board member of Thames River Capital Holdings Limited, a fund management company with USD9bn under management and which has recently been sold to F&C Investments. He currently holds the chairmanship of and is a member of various fund Investment Committees.

Eric Mounier

Eric was a founding Director of Athanor International Property Investments (Pty) Limited in 2001 and has been operating in the role of CEO of that company since its formation. He was also a co-founding Director of Appleton Asset Management (Pty) Limited in 1992, which was successfully listed in March 1999. He is a Science graduate from the University of Neuchatel in Switzerland. Eric has been a director of the Fund since its incorporation in Jersey. Eric has over 20 years' experience in the investment field, 15 of which have been as a principal and director. Ten of those years have been focused on commercial property in the UK and across Europe. Eric brings to the team extensive experience in finance, asset management and marketing. Eric is a director and shareholder of the Investment Adviser.

Michael Fienberg

Michael is Non-Executive Director of Stenham Limited, its main operating subsidiaries and its investment funds. He is Chairman of the Stenham Asset Management Investment Committee and chairs the Stenham Group's Audit and Risk Committees. In addition he provides independent oversight of the Operational Due Diligence process and is a member of the Stenham Group's Remuneration Committee. Michael joined Stenham in 1994 as Managing Director of Stenham Asset Management and was the Group Managing Director from 2000 until 2010. Prior to joining Stenham, he initially worked in the life assurance industry as an actuary and later in the field of business finance and trading, both in South Africa and in the UK after moving to the UK in 1988. Michael obtained his BA (Hons) in Mathematics, Statistics, Economics and Econometrics from the University of Natal in South Africa. He qualified as a Fellow of the Institute of Actuaries London and holds the Investment Management Certificate.

Kerry Fynn

Kerry is the Chief Executive Officer of AlphaWealth and Chief Executive of the Alpha Holdings (Pty) Ltd's Board of Directors. Kerry's investment experience dates back to 1999 where after a period trading physical commodities, Kerry joined Old Mutual and then Credo, a London based financial services group serving the global high-net-worth market. In 2005, Kerry left Credo to found Alpha Holdings. AlphaWealth provides investment and wealth planning services for high-net-worth individuals, families, selected institutions and charitable trusts.

For the purposes of this Prospectus, the address of all the Directors is the registered office of the Fund.

The Administrator

The Administrator, Cannon Asset Management Limited, is a company incorporated with limited liability in Guernsey on 16 May 1997. The Administrator is licensed to carry out controlled investment business in the Bailiwick of Guernsey and for the purposes of the POI Law and the Fund Rules the Administrator is the designated manager of the Fund.

The Administrator has a paid up share capital of £100,000.00. The ultimate holding company of the Administrator is Peregrine Holdings Limited, a company incorporated in Guernsey.

Details of the Directors of the Administrator are set out on page 36. Subject to the control of the Directors, the Administrator is responsible for the administration of the Fund's affairs in accordance with the Articles of Incorporation and the Administration Agreement as summarised on page 30.

The registered office and principal place of business of the Administrator is PO Box 393, Kingsway House, Havilland Street, St Peter Port, Guernsey, GY1 3FN.

The Investment Adviser

The Fund has appointed Montreux Advisers Limited as Investment Adviser in relation to the Fund, to perform certain investment advisory functions on the terms of an investment advisory agreement described on page 34 of this Prospectus. The Investment Adviser is licensed and regulated by the Commission.

The Custodian

The Custodian is a company incorporated with limited liability in Guernsey on 6 September 1984. It has an issued and paid up share capital of £3.2m. The Custodian is ultimately owned by ABN AMRO Group N.V., a company incorporated in The Netherlands. The registered office and principal place of business of the Custodian is PO Box 253, Martello Court, Admiral Park, St Peter Port, Guernsey, GY1 3QJ.

The principal activity of the Custodian is the provision of custodial, banking and related financial services. The Custodian is licensed under the Banking Supervision (Bailiwick of Guernsey) Law, 1994 and is licensed under the POI Law to carry out controlled investment business in the Bailiwick of Guernsey. For the purposes of the

POI Law and the Fund Rules the Custodian is the designated custodian of the Fund.

Register

The register of shareholders in respect of the Fund may be inspected at the offices of the Administrator during normal business hours on any Business Day. It is the responsibility of the Administrator to maintain the share register.

Investment Objectives & Policy

Details of the investment objectives and policies of the Class Funds are set out in the relevant Supplements. Additional Class Funds may be created from time to time with different investment objectives and on different terms.

Investment Restrictions

The principal investment restrictions applicable to the Fund are summarised below. Details of the specific investment restrictions applicable to each Class Fund can be found in the relevant Supplement.

1. The Fund shall not:-
 - (a) acquire any investment which is nil or partly paid unless calls to be made with respect to that investment could be met in full out of cash or Near Cash comprised in the Fund; or
 - (b) indulge in short selling of securities (i.e. selling securities at a time when it has not an exercisable, unconditional right at the time of the sale to the securities to be vested in the purchaser) or purchase securities on margin (i.e. purchase securities in circumstances where payment for any part of the purchase price cannot be made out of the Fund without selling such securities before the end of the relevant account period); or
 - (c) acquire any investment which would require the assumption of an unlimited liability, which for the avoidance of doubt shall include participation as a general partner in a partnership.
2. Where any of the investment restrictions previously described are breached, immediate corrective action shall be taken **SAVE AND EXCEPT THAT** it shall not be necessary for changes to be effected where any of said investment restrictions are breached merely due to appreciations or depreciations or changes in exchange rates or by reason of the receipt of rights, bonuses, benefits in the nature of capital **PROVIDED THAT** the Directors shall take such action as and when they think appropriate having regard to the best interests of the Fund and the holders of Shares as they may in their absolute discretion deem to be prudent to rectify the position.
3. Where cash forming part of the Fund is transferred to an account with the Custodian, it shall be held by the Custodian in its capacity as banker and it shall accrue interest thereon for the benefit of the Fund in accordance with the terms agreed or in the absence of agreed terms in accordance with normal banking practice. Subject thereto, the Custodian shall be entitled to apply cash deposited as part of the Fund for its own use and on its own account, and retain any benefit accruing from such application.

Dealing Procedures

Listing on CISE

Application will be made for Classes to be admitted to the Official List as disclosed in the relevant Supplement. Dealings in the relevant Shares will commence on the CISE as from the date of their admission to the Official List. The dates for the allocation of the different Classes' anticipated admission to listing on the CISE and the anticipated commencement of dealings in Shares will be disclosed in the relevant Supplement.

If requested by an applicant (but subject to the Administrator's discretion), confirmations of ownership will be issued to, and be in the name of, a clearing system (or its nominee) nominated by or on behalf of the applicant by a nominee service provider, as the case may be, that is recognised and accepted by the Administrator including without limitation CREST, Euroclear or Clearstream Luxembourg.

Interests in Shares may be transferred within any clearing system in accordance with the relevant clearing system's rules and procedures. Shares held by an investor directly as a shareholder may be transferred in accordance with the Articles of Incorporation.

Except as otherwise stated in the relevant Supplement, it is expected that confirmations of ownership will be despatched to a shareholder as registered on the Register within one month of completion of the registration process or transfer, as the case may be, of the Shares.

Subscription Amounts

The subscription amounts, including minimum and maximum sizes (if any) of the Offer for any Share, will be set out in the relevant Supplement.

Dealing Procedures for Investors

A Business Day for each Class Fund is any day specified as a Business Day in the relevant Supplement.

Dealing Days & Times

Details of the Dealing Days and dealing cut-off times for each Class Fund are set out in the relevant Supplement.

Applications

Applications for Shares should be made on the Application Form included with this Prospectus or the relevant Supplement. Applications must be made by the relevant dealing cut-off time (as set out in the relevant Supplement) and are subject to the Settlement on Application provisions described below.

To make an initial application the Fund must receive a completed original Application Form.

Completed Application Forms should be sent to the Administrator in accordance with the instructions on the Application Form.

Subsequent applications may be made by facsimile. Investors must complete the facsimile indemnity contained in the Application Form in order for facsimile instructions to be accepted. The original application must be sent to the Administrator. An investor may only deem the Fund to have received a facsimile instruction or communication when they have received a written acknowledgement of receipt from the Administrator.

Prevention of Money Laundering and Terrorist Financing

The Administrator may in its absolute discretion refuse to accept any application for Shares in whole or in part and the Administrator may require any investor to provide further information and/or declarations.

In particular, investors will be required to provide detailed verification of their identity and their source of funds. For those investors, until this process has been completed to the satisfaction of the Administrator, funds will not be remitted unless being sent to the original remitting bank.

Due to requirements designed to combat money laundering and terrorist financing operating within various jurisdictions, including Guernsey, the Administrator is required to identify and take risk based and adequate measures to verify beneficial owners of all investors. The application of this risk based approach means that in certain circumstances the Administrator will be required to apply enhanced customer due diligence to certain investor types. Accordingly, the Administrator reserves the right to request such information as may be necessary to verify the identity of investors and any beneficial owner of Shares.

In the majority of cases the Administrator's customer due diligence procedures will require an investor to produce the standard documents referred to in the Application Form prior to the investor's first subscription for Shares. However, the Administrator may require ongoing due diligence to be carried out with respect to certain categories of investors and reserves the right to request any information at any time as may be necessary to verify the identity of an investor or any beneficial owner of Shares. The Administrator further reserves the right to request additional documents, not specifically referred to in the Application Form, where the risk based approach requires it to obtain enhanced due diligence.

In the event of delay or failure by the investor to produce the information required for verification purposes, the application may be refused and subscription monies will be returned to the bank account from which they were remitted. No Shares will be issued to an investor, and no transfer will be registered, until the identity of the applicant, or the transferee, as the case may be, has been verified to the satisfaction of the Administrator.

Initial Offering Price and Offer Periods

The initial price with respect to each Class and the Offer Periods will be set out in the relevant Supplement.

The initial price for the Classes will be available until the dealing cut-off time relating to the Dealing Day on which the first application for such Class is accepted. Thereafter, Shares in the relevant Class will be issued at the relevant Subscription Price.

Minimum Holdings

The value of the minimum holdings of Classes and therefore of the minimum initial application by any applicant for Shares in a particular Class are set out in the relevant Supplement.

Settlement on Application

The Administrator reserves the right to process the transaction on receipt of cleared funds only. It is the responsibility of investors to transfer application monies direct to the Fund by electronic transfer or other quickest means possible. Payment for Shares should be made in the currency specified in the Supplement for value by the dealing cut-off time (see the relevant Supplement) relating to the Dealing Day in respect of which application has been made.

Settlement details are provided on the Application Form. It is the responsibility of investors to transmit payment for purchase orders promptly, with clear customer identification. Investors shall be responsible for their own bank and money transfer charges; the value received by the Fund must equal the subscription amount.

The Directors may accept in specie applications into the Fund. Such subscriptions shall be accepted in accordance with the investment policy of the Fund and their value will be calculated by the Administrator in accordance with the valuation principles set out herein.

Share Registration

All Shares are in registered form and the Register shall be conclusive evidence of title to the Shares concerned. Share certificates will not be issued in respect of Shares.

All issues of Shares will be confirmed to the investor's address shown on the Register by way of a contract note, which will normally be despatched within 30 Business Days after the Dealing Day on which the issue was made.

Redemptions

Shares may be redeemed in accordance with the procedures set out in the relevant Supplement. Redemption charges may be levied and are described in detail in the relevant Supplements.

In the event of a suspension as described on page 16, the redemption of Shares will be made on the Dealing Day next following the end of the suspension. During a period of suspension an investor may withdraw their request for redemption of Shares and may also withdraw their certificate, if any, and any other evidence of title. Any withdrawal of a request for redemption shall be made in writing and shall only be effective if actually received by the Fund or the Administrator before termination of the period of suspension. If the request is not so withdrawn the redemption or purchase of the Shares concerned shall be made on the Dealing Day next following the end of the suspension.

All redemption transactions will be confirmed to the investor's address shown on the Register by way of a contract note, which will normally be despatched by close of business within 30 Business Days after the Dealing Day on which the Shares are redeemed.

Unless otherwise specified in the relevant Supplement, if redemption requests total or exceed available cash or Near Cash (as determined by the Directors) within the Fund, or if they are such as, in the opinion of the Directors, would or might leave the Fund with insufficient funds to meet any future or contingent obligations, the Directors may delay such redemptions until such time as the asset sale proceeds are available. If the Directors so delay, the requests for redemption on such Dealing Day shall be reduced rateably and the Shares to which each request relates which are not redeemed by reason of such delay shall be treated as if a request for redemption had been made in respect of each subsequent Dealing Day until all the Shares to which the original request related have been redeemed. In this regard, the Directors will pay regard to the interests of such remaining shareholders in the realisation of assets for the purposes of redemption with a view to minimising the effect of the realisation of assets in the relevant Class Fund on shareholders remaining in such Class Fund.

Requests for redemption or conversion which shall have been carried forward from an earlier Dealing Day shall (subject always to the foregoing limits) be complied with in priority to later requests.

Settlement on Redemption

Unless otherwise specified in the relevant Supplement, redemption payments will normally be made within 30 Business Days after the Dealing Day upon which the redemption has been carried out provided that any applicable money laundering prevention information has been received and the original redemption request has been received by the Administrator. Settlement will be made in pounds Sterling with respect to the Shares unless otherwise indicated by the Administrator.

The Fund will only pay the proceeds out in the name(s) of the investor(s) to the bank account stated in the Application Form included with this Prospectus which must be the remitting bank from which the original subscription was made, unless the investor can provide justification for the change of the bank and the new bank account is in the name of the investor and in the investor's country of residence. This instruction can be changed from time to time by prior written notification from the investor and, in the case of joint investors, signed by all of them. Payment by electronic transfer in accordance with the standing redemption payment instructions will be made at the risk and cost of the investor.

Currency Hedging

It is the Directors' intention to maximise returns to investors and therefore the Directors may hedge any exposure to assets not in the base currency of the Fund, in line with the terms of the relevant Supplement.

Switches

Switching may occur between Classes in any one Class Fund with the approval of the Directors as set out in the relevant Supplement. However, unless otherwise specified in the relevant Supplement, Members may not convert all or part of their holding of Shares in one Class Fund into Shares in another Class Fund unless the Directors in their absolute discretion consent to such conversion and then by giving notice to the Fund in such form as the Directors may determine. Except as specified herein, or in the relevant Supplement, a holder who exchanges his Shares for Shares in another class will not be given a right by law to reverse the transaction except as a new transaction. Conversion from one class to another may be regarded as a disposal and acquisition of shares for capital gains tax purposes in certain jurisdictions.

Switching between Class Funds

Where permitted by the relevant Supplement, Shareholders in a Class Fund may on any Redemption Day convert all or, subject to any applicable rules, part of their holding of Shares (the "Original Class Share") into shares of another Class Fund (the "New Class Share") by giving notice to the Administrator prior to close of business (4.00 pm Guernsey time) on the day falling 20 Business Days before the Redemption Day on which the conversion is to take place (unless the Directors have indicated that a shorter delivery period will be accepted in respect of any Share).

Conversion takes place in accordance with the following formula:

$$\text{NSH} = \frac{\text{OSH} \times (\text{RP} - \text{CF}) \times \text{CCR}}{\text{SP}}$$

where	NSH	is the number of Shares of the New Class Share
	OSH	is the number of Shares of the Original Class Share in the conversion notice
	RP	is the Redemption Price of Shares of the Original Class Share
	CCR	is the currency conversion rate between the currencies of denomination of the Original Class Share and the New Class Share (if applicable)
	SP	is the Subscription Price of Shares of the New Class Share.
	CF	is the conversion fee (if applicable)

Where such conversion would cause the Minimum Holding to be breached in respect of a holding in the Original Class Share or New Class Share conversion of Shares will be subject to the prior consent of the Directors.

Early redemption penalties may be chargeable with such penalties being detailed on the appropriate Supplement.

In the event of a suspension as described on page 16, the conversion of Shares will be similarly suspended. During a period of suspension an investor may withdraw their request for conversion of Shares. Any such withdrawal of a request for conversion shall be made in writing and shall only be effective if actually received by the Fund or the Administrator before termination of the period of suspension. If the request is not so withdrawn the conversion of the Shares concerned, in accordance with the relevant Supplement, shall be made on the Dealing Day next following the end of the suspension.

Fractions of shares may be issued on conversions where monies are less than the Subscription Price of one share of the New Class Share.

Conversion Charge

A conversion charge may be applied to all conversions save for conversions of Shares within the same Class Fund. The conversion charge payable will be equivalent to the redemption charges outlined in the relevant Supplement. The Directors reserve the right to waive this charge at its own discretion

Fraction of Shares

Where any subscription monies are not an exact multiple of the Subscription Price per Shares of a Class Fund a fraction of Shares may be issued.

Acceptance of Instructions

Applications for Shares may be lodged with the Administrator during working hours, currently between 9.00 a.m. and 5.00 p.m., on any weekday (except Saturday) on which banks in Guernsey are open for normal banking business.

Suspension of Dealing

The Directors may suspend the determination of the NAV for Shares of any Class and, therefore suspend, the subscription, redemption and conversion of Shares of that Class in the event that:-

- (i) the Directors are of the opinion that it is not reasonably practicable fairly to dispose of any substantial portion of the investments comprised in the relevant Class Fund or to determine the NAV for such Shares or that such disposal or valuation would be materially prejudicial to the Shareholder by reason of the closure of or the suspension of trading on a relevant market or exchange or for any other reason including political, economic, military or monetary events, or any circumstances outside the control, responsibility and power of the Fund;
- (ii) a breakdown occurs in any of the means normally employed in ascertaining the value of a substantial portion of investments comprised within the relevant Class Fund or in calculating the Subscription Price or the Redemption Price of Shares or if the Directors are of the opinion that for any reason they cannot reasonably so ascertain the value of any substantial portion of such investments or such subscription or redemption price;
- (iii) the remittance of funds involved in the realisation of, or in the payment for, investments comprised in the relevant Class Fund cannot be carried out without undue delay or at normal rates of exchange;
- (iv) if an investment is required to be disposed of, the Fund would be in breach of any joint venture or other agreement relating to the investment by disposing of it; or
- (v) the Fund publishes a notice convening a general meeting of the Fund for the purpose of resolving to wind up the Fund.

The Directors must declare any suspension at an end as soon as they consider that the reasons or conditions giving rise to it have ceased to exist unless any other reasons or conditions exist. The Directors will take all reasonable steps to bring any period of suspension to an end as soon as possible. Any such suspension shall be notified to shareholders for whom redemption of the Shares by the Fund is applicable at such time. The redemption process will be continued on the first Dealing Day following the lifting of a suspension.

Dilution Levy

In accordance with Article 15.17 of the Articles of Incorporation and in relation to those classes of Shares which have adopted a single pricing basis, the relevant Supplement may contain provisions relating to a Dilution Levy, at such a rate as may be determined by the Directors, to safeguard the assets of those Class Funds from the consequences of dilution.

It is not intended that such a Dilution Levy will apply in respect of the initial Class Fund.

Compulsory Redemptions

In certain circumstances the Fund is entitled to require the redemption of the Shares held by any person. In general terms, redemption of Shares may be required:-

- (i) if it shall come to the notice of the Directors that the Shares are owned by any person:-
 - (a) in breach of any law or requirement of any country or governmental authority or by virtue of which he is not qualified to hold such Shares;
 - (b) who is not an Eligible Investor; or
 - (c) in any other circumstances which, in the opinion of the Directors, might cause a pecuniary, tax or material administrative disadvantage which the Fund might not otherwise have incurred or suffered or which may cause the Fund to be classified as an "investment company" under the United States Investment Company Act of 1940 or which presents, in the Directors' opinion and pursuant to rules or criteria determined by the Directors, a risk of the assets of the Fund being deemed to be "plan assets" for the purpose of the US Department of Labor regulations under the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**");
- (ii) where the NAV of a Class Fund falls below £2,000,000 or such other sum as may be specified in the relevant Supplement, for a period of three consecutive months;
- (iii) where the aggregate NAV of all Class Funds (where there is more than one Class Fund) falls below £5,000,000 for a period of three consecutive months; or
- (iv) if an extraordinary resolution of the holders of Shares of the relevant class is passed to this effect.

In the circumstances referred to in paragraphs (ii), (iii) and (iv) all Shares of the relevant class may be redeemed.

In the circumstances referred to in paragraph (i) above the Directors shall be entitled to give notice to the person concerned requiring him to transfer such Shares or to request their redemption. Until the redemption or transfer is effected, the person shall not be entitled to any of the rights or privileges attaching to the Shares, including, any right to attend or vote at any general meeting of the Fund.

In the event of a failure to comply with such a notice within thirty days, the shareholder concerned will be deemed to have requested the redemption of his Shares and must comply with the normal formalities required in the case of a redemption. In the case of such a compulsory redemption, the Directors will deposit the redemption proceeds in a non-interest bearing bank account for settlement on production of acceptable evidence of title.

Transfers of Shares

Shares may be transferred in the usual way, except to a U.S. Person, in which case the prior consent of the Fund will be required. All stock transfer forms together with acceptable evidence of title should state the full name and address of the transferor and transferee, and should be signed by them.

The Directors shall have absolute discretion to refuse to register a transfer of Shares if any one of the following arises:-

- (i) as a result of the transfer, the transferee or transferor would hold less than the Minimum Holding of Shares specified for the Class concerned;

- (ii) the form of transfer or other evidence of title is not deposited at the Registered Office or such other place as the Directors may reasonably require;
- (iii) the form of transfer relates to more than one class of Share;
- (iv) the proposed transfer is in favour of more than four persons;
- (v) the Shares are not fully paid;
- (vi) the Fund has a lien over the Shares; or
- (vii) the transferee does not provide a valid Application Form and such accompanying documentation as required by the Administrator.

Notice of refusal must be given to the transferee within two months after the date on which the transfer was lodged with the Fund. The registration of transfers may be suspended by the Directors for a maximum of thirty days in any year. Shares in the Fund will only be issued fully paid.

Distribution Policy

The Directors intend to make dividend distributions to Shareholders in respect of each Class Fund as and when such distributions are, in their view, justifiable in view of the financial position of the relevant Class Fund and the investment objectives of the relevant Class Fund. Further details of the specific distribution policy applicable to any Class Fund are set out in the relevant Supplement.

Tax consequences of investing in the Fund

The Fund is currently classified by H M Revenue & Customs (HMRC) as a reporting Fund for UK tax purposes. In order to qualify as a reporting fund, the following conditions must continue to be satisfied:

- The accounts are prepared in accordance with GAAP.
- There is a computation of reportable income for each period of account. Reportable income is based on the total recognised income and expense for the period as adjusted. The main items which are taken into account to adjust the income are capital items, special classes of income and equalisation arrangements.
- There are regular reports to investors detailing amounts distributed per unit and amounts per unit not distributed.
- A report to HMRC for each period of account detailing inter alia reportable income and amounts distributed.

The principle of the Reporting Funds regime is that a UK resident investor is taxable on distributions plus his/her share of the excess of the reportable income over distributed income. The liability to income tax of a UK resident but non-domiciled investor will depend on whether the investor is taxed on an arising or on a remittance basis. It is recommended that a resident but non-domiciled individual investor consults with their UK tax adviser.

For a UK resident and domiciled individual investor the gain on the disposal of their interest in the Fund is subject to UK capital gains tax. The gain on the disposal of an interest by a UK resident corporate investor is treated as a capital gain.

Investors resident in a country other than the UK should consult with an appropriate tax advisor.

Dealing Prices

Subscription & Redemption Prices

After the dealing cut-off time relating to the Dealing Day on which the first application for Shares is accepted, the relevant Shares are issued and redeemed by the Administrator as agent for the Fund at a forward price.

Shares will be issued at the Subscription Price determined by reference to the NAV of the relevant Class Fund at the Valuation Point ("Valuation Point" is described in the "Valuation Times and Principles" section on page 21 of this Prospectus).

Unless otherwise specified in the relevant Supplement, Shares will be redeemed at the Redemption Price determined by reference to the NAV of the relevant Class Fund concerned at the Valuation Point and any redemption penalty.

The Subscription Price and the Redemption Price at which Shares will be issued and redeemed respectively are ascertained by taking the NAV of the relevant Class Fund and dividing it by the number of Shares relating to that Class Fund in issue at the relevant Valuation Point and, in the case of redemptions, to any redemption penalty.

Publication of Prices

Unless otherwise specified in the relevant Supplement, the most recent Subscription Price and Redemption Price of the Shares will be available on request from the Administrator.

Data Protection

By agreeing to invest in the Fund, investors acknowledge and accept that the Administrator may hold and process personal data to properly record the investor's interest in the Fund in accordance with the Data Protection (Bailiwick of Guernsey) Law, 2001, as amended, (the "Data Protection Law") and relevant laws and regulations, and to advise the Shareholder of matters in relation to its investment in the Fund, including current values and changes to the cell documentation and the Administrator may in order to fulfil its duties to the Fund and to comply with regulatory requirements:

- a) Process an investor's personal data (including sensitive personal data) as required by or in connection with its investment in the Cell including processing personal data in connection with credit and money laundering checks on the investor;
- b) Communicate with the investor as necessary in connection with its affairs and generally in connection with its investment in the Fund;
- c) Provide personal data to such third parties as the Administrator may consider necessary in connection with the investor's affairs and generally in connection with its investment in the Fund or as the Data Protection Law may require; including to third parties outside the Bailiwick of Guernsey or European Economic Area;
- d) Without limitation, provide such personal data to the Custodian and the Registrar for processing, notwithstanding that any such party may be outside the Bailiwick of Guernsey or the European Economic Area;

- e) Transfer personal data to other companies within the same group as the Administrator and/or the Investment Adviser (including to any such companies which are outside the Bailiwick of Guernsey or the European Economic Area) who wish to use such information for marketing purposes to promote their services to the investors, including by means of electronic communications; and
- f) Process an investor's personal data for the Administrator's or the Investment Adviser's internal administration.

The Administrator is registered as a Data Controller under the Data Protection Law.

Fees & charges

The Administrator

The fees and other payments or reimbursements to be paid out of the relevant Class Fund to the Administrator shall be specified in the relevant Supplement.

The Custodian

The fees and other payments or reimbursements to be paid out of the relevant Class Fund to the Custodian shall be specified in the relevant Supplement.

Performance Fee

The Investment Adviser is entitled to a Performance Fee to be paid out of the relevant Class Fund as specified in the relevant Supplement.

The Investment Adviser

The Investment Adviser's fee in respect of each Class Fund will be based on the NAV or GAV of the Class Funds.

Initial charge

An initial charge of up to 5% of capital invested may be levied on subscriptions received during the relevant Offer Period as disclosed in the relevant Supplement. This is the maximum permitted initial charge in relation to the Class Funds. This charge shall be paid to the Investment Adviser by an applicant for Shares and may be used by the Investment Adviser in whole or in part to remunerate introducers of business to the Fund, authorised agents procuring subscribers in the Fund and any trail commission arrangements.

Directors Fees

The Fund will pay its Directors a fee per Director together with reasonable expenses incurred in the course of their duties. The fees shall not exceed £20,000 per Director, per annum.

Redemption Charges

Details of redemption charges payable may be found in the relevant Supplement.

Fund Expenses

The Fund is responsible for the normal costs and expenses of its business, statutory and regulatory maintenance costs, legal fees, audit fees and taxation. In particular it is responsible for such costs and expenses as are associated with investment transactions including for the avoidance of doubt, interest on

borrowings of the Fund and charges incurred in effecting or varying the terms of such borrowings. It is also responsible for various costs incurred in publishing prices, communicating with its shareholders and arranging and holding meetings including for the avoidance of doubt, all reasonable costs incurred in respect of meetings of the Directors and the shareholders, and in respect of the publication and distribution of Annual Reports and accounts and of marketing documents relating to the Fund.

The Fund is also responsible for the cost of retaining any other professionals for the purpose of providing services to the Fund and the Fund is responsible for reimbursing certain costs and expenses which the Administrator (and its delegates), the Custodian and the Investment Adviser incur. These include, for example, statutory and regulatory fees, directors and officers insurance, fax, telephone and out-of-pocket expenses and costs incurred in modifying the Articles of Incorporation of the Fund and the material contracts. The Fund will also be responsible for the remuneration and expenses of any representative appointed in another jurisdiction in compliance with the laws or other requirements of that jurisdiction. The Fund has accepted responsibility under certain indemnity provisions contained in the Articles of Incorporation and under the material contracts. It is anticipated that the above expenses will be met wherever possible by the relevant SPV.

The preliminary expenses incurred in connection with the registration of the Fund as a company in Guernsey, including the costs of the Fund and the Administrator in preparing the Prospectus, any Supplements thereto and material contracts and the costs incurred in obtaining authorisation from any relevant regulatory or supervisory authority with respect to such matters will be met by the Fund and amortised in such manner as shall be agreed between the Fund and the Administrator. For the purposes of the determination of the NAV of the Fund, preliminary expenses will be written off over a period of 3 years, or such shorter period as deemed appropriate by the Directors. The costs of publication and printing of the Prospectus and Supplements shall be borne by the Fund. In addition, the Fund will meet any external costs borne by the Custodian or the Administrator directly attributable to the establishment of the Fund (including legal costs incurred by the Custodian or the Administrator). Further, any costs or expenses authorised by the Directors as constituting preliminary expenses will be met by the Fund. Any costs or expenses, (whether or not incurred directly by the Fund) incurred in connection with any subsequent application for a listing or quotation of any of the Shares on any stock exchange and authorisation for sale or the introduction of any new class of Shares or offering of any class of shares in any jurisdiction will also be met by the Fund and may also equally be amortised in such manner as shall be agreed between the Fund and the Administrator.

The Fund will also meet any other costs and expenses which it is authorised to pay.

The costs and expenses of the formation of any Class Funds will be written off during the course of the first accounting period, as determined by the Directors. The costs and expenses of the formation of any additional Class Funds including the first offer of Shares of such additional Classes to the public will be apportioned and written off in accordance with the advice of the Auditors. Further details about amortisation are set out in the relevant Supplements.

The Directors have discretion, subject to the approval of the Auditors, to determine the basis upon which any liability shall be allocated between Class Funds, and power to vary such basis, and to charge expenses of the fund against either revenue or capital of the Fund, but without the Auditors' opinion being required if the Directors are of the opinion that the allocation of a liability relates to a particular Class Fund or if otherwise such liability is allocated pro rata to the values of the Class Funds to which it relates.

Expenses not attributable to a specific Class Fund will be allocated over all Class Funds in such a manner as deemed appropriate by the Directors, from time to time.

Valuations

Valuation Times & Principles

For the purposes of determining the Subscription Price and the Redemption Price applicable to each class of Shares the property of the relevant Class Fund will be valued as at a time known as the Valuation Point. The Valuation Point will be as set out in the Supplement. The Directors may carry out additional valuations and calculations of the Subscription Price and the Redemption Price of Shares if it is considered that circumstances merit such a calculation. In that event, those specially calculated additional valuations and prices will apply for all purposes.

The NAV of each Class Fund is the aggregate value as at the relevant Valuation Point of all the assets less all the liabilities comprised in or attributable to the relevant Class Fund at that Valuation Point. The NAV per Share is calculated by dividing the NAV by the number of Shares in issue. The result is rounded to four decimal places. The calculation of the NAV will be carried out according to the same valuation principles for all purposes. These purposes include the determination of the Subscription Price and Redemption Price applicable to each class of Shares, the Administrator's fee, the Custodian's fee and the investment limits. The valuation principles applicable to assets and liabilities for each Class Fund are set out in the relevant Supplement. The relevant Supplement should be referred to for the detailed provisions concerning valuations.

Liabilities may be calculated on an estimated basis for yearly or other periods in advance and they may be accrued in equal proportions over any such period. The liabilities of each Class Fund include taxes and fees payable to functionaries.

With the approval of the Auditors, the generally applicable valuation principles can be dis-applied in favour of a valuation which, in the opinion of the Directors, better reflects the fair value of an asset or liability.

The frequency of NAV calculations for each Class Fund will be set out in the relevant Supplement.

Valuations will be notified to the CISE as soon as practicable after calculation.

Taxation Issues

Tax Considerations (General)

The following is a summary of the anticipated tax treatment in Guernsey and the United Kingdom in respect of the Fund and investors who hold Shares as an investment. While all the references to taxation in this section of the Prospectus are believed to be correct at the present time, they are only of a general and non-exhaustive nature and their applicability will depend on the personal circumstances of individual investors. It does not constitute legal or tax advice and is based on taxation law and practice at the date of this Prospectus which may change, possibly with retrospective effect. **Prospective investors should consult their own professional advisers on the implications of making an investment in, holding or disposing of Shares under the laws of the countries in which they are liable to taxation.**

Shareholders may, depending on their circumstances, be liable to income tax, capital gains tax or corporation tax or their equivalents in their country of residence at the relevant rate in respect of gains realised on the disposal of Shares or the conversion of Shares from one Class to another.

Should a dividend be paid, shareholders, other than persons resident for tax purposes in Guernsey, are not subject to Guernsey tax in respect of dividends declared by the Fund.

Tax Considerations (Guernsey)

The Fund

The Fund qualifies for exemption from liability to income tax in Guernsey. Exemption must be applied for annually and will be granted, subject to the payment of an annual fee which is currently fixed at £1,200, provided that it continues to qualify under the applicable legislation for exemption. It is the intention of the Directors to conduct the affairs of the Fund so as to ensure that it continues to qualify.

As an exempt company, the Fund will not be resident in Guernsey for the purposes of liability to Guernsey income tax. Under current law and practice in Guernsey, the Fund will only be liable to tax in Guernsey in respect of income arising in Guernsey, other than bank deposit interest. It is not anticipated that any income other than bank interest will arise in Guernsey and therefore the Fund will not incur any additional liability to Guernsey tax. No capital gains or similar taxes are levied in Guernsey on realised or unrealised gains resulting from the investment activities of the Fund.

The Directors will endeavour to ensure that, as far as reasonably practicable, the income of each Class Fund is received free of any withholding taxes and that again as far as reasonably practicable no Class Fund incurs any capital gains or similar taxes in respect of its investments in the jurisdictions in which such investments are deemed to be located.

Stamp Duty

There is no document duty in Guernsey. No stamp duty is chargeable to Shareholders in Guernsey on the issue, transfer, conversion or redemption of Shares.

Shareholders

Shareholders resident outside Guernsey will not be subject to any tax in Guernsey in respect of or in connection with the acquisition, holding or disposal of any Shares owned by them.

Shareholders resident outside Guernsey will receive dividends without deduction of Guernsey Income Tax, provided that such Investor does not carry on business in Guernsey through a permanent establishment.

Shareholders who are resident in Guernsey will incur Guernsey tax on any dividends paid on Shares owned by them. Whilst the Fund is no longer required to deduct Guernsey income tax from dividends on any Share (if applicable) paid to Guernsey resident, the Fund is required to make a return to the Director of Income Tax, on an annual basis, when reviewing the Fund's exempt tax status, as described above, of the names, addresses and gross amounts of income distributions paid to Guernsey resident shareholders during the previous year.

There are no death duties, capital inheritance, capital gains, gifts, sales or turnover taxes levied in Guernsey in connection with the acquisition, holding or disposal of Shares.

EU SAVINGS DIRECTIVE

Although not a Member State of the European Union, Guernsey, in common with certain other jurisdictions, entered into agreements with EU Member States on the taxation of savings income. From 1 July 2011 paying agents in Guernsey must automatically report to the Director of Income Tax in Guernsey any interest payment to individuals resident in the contracting EU Member States which falls within the scope of the EU Savings Directive (2003/48/EC) (the "Directive") as applied in Guernsey. However, whilst such interest payments may include distributions from the proceeds of shares or units in certain collective investment schemes which are equivalent to a UCITS, guidance notes issued by the States of Guernsey on the implementation of the bilateral agreements indicate that the Fund is not equivalent to a UCITS. Accordingly, any payments made by the Fund to Shareholders will not be subject to reporting obligations pursuant to the agreements between Guernsey and EU Member States to implement the Directive in Guernsey.

On 24 March 2014 the Council of the European Union formally adopted a directive to amend the Directive. The amendments significantly widen the scope of the Directive. EU Member States are required to adopt national legislation to comply with the amended Directive by 1 January 2016. The amended Directive is anticipated to be applicable in EU Member States from 2017. However, on 18 March 2015 the European Commission announced a proposal to repeal the Directive. This proposal is under consideration and has not yet been adopted. Guernsey, along with other dependent and associated territories, will consider the effect of the amendments to, or the repeal of, the Directive in the context of existing bilateral agreements and domestic law. If changes to the implementation of the Directive in Guernsey are brought into effect, or if it is repealed, the position of the Fund and the position of Shareholders in the Fund in relation to the Directive may be different to that set out above.

FATCA

The Fund is subject to FATCA. The application of FATCA on the Fund will be affected by the intergovernmental agreement entered into on the 13 December 2013, between the US Treasury and the States of Guernsey. This agreement is substantially similar to the Model 1 agreement entered into on the 4 November 2013 that includes a reciprocal approach to the sharing of information between the two governments.

The Fund has registered with the Internal Revenue Service, as a Foreign Financial Institution and will report any US Shareholders to the Guernsey Income Tax office.

US-Guernsey Intergovernmental Agreement

On 13 December 2013 the Chief Minister of Guernsey signed an intergovernmental agreement with the US (“**US-Guernsey IGA**”) regarding the implementation of FATCA, under which certain disclosure requirements will be imposed in respect of certain Shareholders in the Fund who are, or are entities that are controlled by one or more, residents or citizens of the US. The US-Guernsey IGA is implemented through Guernsey’s domestic legislation, in accordance with guidance which is currently published in draft form.

UK-Guernsey Intergovernmental Agreement

On 22 October 2013 the Chief Minister of Guernsey signed an intergovernmental agreement with the UK (“**UK-Guernsey IGA**”) under which certain disclosure requirements will be imposed in respect of certain Shareholders in the Fund who are, or are entities that are controlled by one or more, residents of the UK. The UK-Guernsey IGA is implemented through Guernsey’s domestic legislation, in accordance with guidance which is currently published in draft form

Future Changes

Multilateral Competent Authority Agreement

On 13 February 2014, the Organization for Economic Co-operation and Development released the “Common Reporting Standard” (“**CRS**”) designed to create a global standard for the automatic exchange of financial account information, similar to the information to be reported under FATCA. On 29 October 2014, fifty-one jurisdictions signed the multilateral competent authority agreement (“**Multilateral Agreement**”) that activates this automatic exchange of FATCA-like information in line with the CRS. Since then further jurisdictions have also signed the Multilateral agreement. Pursuant to the Multilateral Agreement, certain disclosure requirements may be imposed in respect of certain Shareholders in the Fund who are, or are entities that are controlled by one or more, residents of any of the signatory jurisdictions. Both Guernsey and the UK have signed up to the Multilateral Agreement, but the U.S. has not signed the Multilateral Agreement.

Early adopters who signed the Multilateral Agreement (including Guernsey) have pledged to work towards the first information exchanges taking place by September 2017. Others are expected to follow with information exchange starting in 2018. Guidance and domestic legislation regarding the implementation of the CRS and the Multilateral Agreement in Guernsey is yet to be published in finalised form. Accordingly, the full impact of the CRS and the Multilateral Agreement on the Fund and the Fund’s reporting responsibilities pursuant to the Multilateral Agreement as it will be implemented in Guernsey is currently uncertain.

Request for Information

The Fund reserves the right to request from any Shareholder or potential investor such information as the Company deems necessary to comply with FATCA, the US-Guernsey IGA, the UK-Guernsey IGA and the Multilateral Agreement, or measures similar to FATCA and the automatic exchange of information with any relevant competent authority. The Fund may require a Shareholder to sell or transfer its Shares if it fails to provide the Fund with the information necessary to comply with FATCA

Tax Considerations (United Kingdom)

The Fund

The Directors intend that the Fund should conduct its affairs so that it will not be resident in the United Kingdom for tax purposes or carry out any trade through a branch office or agent in the United Kingdom. On this basis, the Fund will not be liable for any United Kingdom taxation on its capital gains. Investment income arising from UK sources may be subject to United Kingdom withholding tax.

Shareholders who are resident or ordinarily resident in the United Kingdom or are carrying on business in the United Kingdom through an establishment with which their investment is connected may, depending on their circumstances and as described below, be liable to United Kingdom income tax, capital gains tax or corporation tax in respect of gains realised on the disposal of Shares in the Fund. A conversion of Shares of one class into Shares of another class will constitute a disposal of Shares of the first class for the purposes of United Kingdom tax.

Each of the Class Funds will be managed with a view to its qualifying as a "reporting fund" for United Kingdom tax purposes and being able to apply to the HM Revenue and Customs for such status. So long as each Class Fund continues to apply to HMRC for reporting fund status and this is accepted by HMRC, then any gains arising on disposals of Shares will be taxed as capital gains and not as income. Subject to their personal circumstances, United Kingdom resident investors should therefore be subject to capital gains tax on them.

Shareholders who are resident or ordinarily resident in the United Kingdom or are carrying on business in the United Kingdom through an establishment with which their investment is connected may, depending on their circumstances and as described below, will be liable to United Kingdom income tax or corporation tax on their share of the excess of the reportable income over distributable income.

Investors who are life insurance companies within the charge to United Kingdom taxation holding their Shares in the Fund for the purposes of their long-term business (other than gross roll up business) will be deemed to dispose of and immediately re-acquire their Shares at the end of each accounting period. Such shareholders should seek their own professional advice as to the tax consequences of the deemed disposal.

The attention of individuals ordinarily resident in the United Kingdom is drawn to sections 720 to 726 of the Income Tax Act 2007. 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 abroad. This can make a UK resident liable to UK income tax on income as it accrues within an offshore structure.

The attention of investors who are resident or ordinarily resident in the United Kingdom is also drawn to section 13 of the Taxation of Chargeable Gains Act 1992. If the Fund were to be such that it would be a "close" company if it were resident in the United Kingdom, the provisions of this section may in certain circumstances have the effect of subjecting such investors to United Kingdom capital gains tax (or, in the case of companies, corporation tax on chargeable gains) on an apportioned part of any capital gains accruing to the Fund. Such a charge to tax would not, however, apply where less than 10% of the capital gain would be apportioned to the investor. The amount of capital gains tax paid by an investor under these provisions may be allowable as a deduction in the shareholder's tax computation of a gain accruing on the disposal by him of the Shares by reference to which the tax was paid.

Corporate Structure

The Fund is a no par value company and is authorised to issue an unlimited number of founder shares, an unlimited number of Participating Shares, an unlimited number of C Shares and an unlimited number of P Shares.

The founder shares are not redeemable and in accordance with the Articles of Incorporation are owned by the Investment Adviser or as otherwise determined by the Directors. The founder shares do not carry any rights to dividends or profits and on liquidation they will rank behind Shares for the return of the amount paid up on each of them. Founder shares carry the right to receive notice of and attend general meetings, but carry no right to vote thereat unless there are no Shares in issue. Ten founder shares have been issued and are held by the Investment Adviser.

The liability of shareholders is limited to the amount payable in respect of shares held.

Save pursuant to the issue of Participating Shares, the issue of C Shares which have subsequently converted into Participating Shares, the issue of P Shares in August 2011 and for the subscription of the 10 founder shares referred to above, since the date of incorporation no share or loan capital of the Fund has been issued or agreed to be issued, or is now proposed to be issued, for cash or any other consideration and no commission, discounts, brokerages or other special terms have been granted by the Fund in connection with the issue of any such capital.

No share or loan capital of the Fund is under option or has been agreed, conditionally or unconditionally, to be put under option.

Memorandum and Articles of Incorporation

The Memorandum and Articles of Incorporation of the Fund contain provisions to the following effect:

C Shares

The C Shares shall rank equally with the Participating Shares, and all of the provisions of the Articles applying to the Participating Shares shall apply equally to the C Shares, save that the C Shares shall not be redeemable. There are no C Shares in issue at the date of this Prospectus.

P Shares

The P Shares shall rank equally with the Participating Shares, and all of the provisions of the Articles applying to the Participating Shares shall apply equally to the C Shares, save that:

1. each P Share shall be entitled to a preference dividend at the rate of 3% per annum of the amount paid up in respect of such share. Such accrued and unpaid preference dividend shall, subject to compliance with the Companies Law, be paid to the holder of each P Share within 2 months following the end of each annual accounting period of the Fund;
2. the P Shares shall not be redeemable at the request of the holder prior to the Lock-up Date, except with the consent of the Directors;
3. the proceeds of the issue of the P Shares shall not be used to fund redemptions of Shares of any class prior to the Lock-up Date. Such restrictions shall cease to apply to any funds which have been used for the acquisition of an investment by the Fund and shall not apply to any proceeds from the disposal of such investment.

Shares and Share Capital

The Directors are authorised to issue an unlimited number of shares of any class without pre-emption rights applying for existing shareholders.

Except with the consent of the majority of votes cast at a separate general meeting of the holders of Shares no further shares in the capital of the Fund, other than Shares, C Shares, P Shares and founder shares, shall be issued.

Subject to the provisions of the Companies Law, the Fund may purchase its own Shares and, with respect to those Shares, cancel them or hold them as treasury shares.

The Fund may from time to time, and by ordinary resolution of the Shareholders, alter its share capital in accordance with the provisions of the Companies Law.

Voting and General Meetings

At a General Meeting, on a show of hands, every holder of Shares who is present in person or by proxy shall be entitled to one vote and on a poll, every holder present in person or by proxy will be entitled to one vote for each whole Share of which they are the holder.

No persons other than Shareholders may vote at general meetings.

Variation of Class Rights

Subject to the Companies Law, all or any of the special rights attached for the time being to any Class for the time being issued may (unless otherwise provided by the terms of issue of the Shares of that Class) from time to time (whether or not the Fund is being wound up) be altered or abrogated with the consent in writing of the holders of not less than three-quarters of the issued Shares of that Class or with the sanction of an Extraordinary Resolution. As provided for in the Articles of Incorporation, such Extraordinary Resolution must be passed by a majority of three-quarters of the votes cast at a separate general meeting of the holders of the relevant shares (being the holders on the Register on the date on which notice of such separate general meeting is given). The Articles of Incorporation provide that the necessary quorum at any such meeting is two shareholders holding or representing by proxy not less than one-third of the issued shares of that class, except that if at any adjourned meeting such a quorum is not present the holders who are present shall be a quorum. At such a meeting every holder of the shares of the class shall be entitled, on a poll, to one vote for every share held by him. Any holder of shares of the class present at the class meeting may demand a poll.

If considered by the Directors, with the approval of the Auditors, that all Classes would be affected in the same way by proposals under consideration they may (subject to the provisions of the relevant Supplements) treat all Classes as forming one class but in any other case shall treat them as separate classes.

The Fund in general meetings or its Directors may at any time and from time to time confer on the holders of Shares of any Class such additional rights and privileges as it or they may think fit without conferring such rights or privileges generally on the holders of all classes of Shares provided that the rights of such other holders as to voting on a poll, dividend, redemption, return of capital on a winding up or the application of the assets of the Class Fund relating to that class are not thereby reduced or abrogated.

The special rights attached to any Class having preferential rights shall (unless otherwise expressly provided by the conditions of issue of Shares of such Class) be deemed not to be varied by the exercise of any power under the disclosure provisions requiring shareholders to disclose or invest in the Fund's Shares as set out in the Articles of Incorporation.

Dividends and Distributions

The Participating Shares and the C Shares carry the right to receive dividends from the assets of the Fund in such amounts and at such times as the Directors shall determine and to receive a distribution of the assets of the Fund on a winding up, in proportion to the number of Shares. In relation to Shares which are designated as roll-up shares in the relevant Supplement, the assets available for distribution shall be accumulated within the relevant Class Fund.

Each P Share shall be entitled to a preference dividend at the rate of 3% per annum of the amount paid up in respect of such share. Such accrued and unpaid preference dividend shall, subject to compliance with the Companies Law, be paid to the holder of each P Share within 2 months following the end of each annual accounting period of the Fund.

Any dividend in respect of the Shares not claimed by a Shareholder after a period of six years will be forfeited automatically.

Directors

The business of the Fund will be managed by the Directors who may exercise all such powers of the Fund as are not by the Companies Law or by the Articles of Incorporation required to be exercised by the Fund in general meeting, or required by the Articles of Incorporation to be exercised by the Administrator or the Custodian. The Directors may entrust to and confer upon the Administrator any of the powers exercisable by them as Directors.

The Directors are given authority to effect the issue of shares in the Fund as provided for in the Articles of Incorporation.

Unless otherwise determined by the Fund by ordinary resolution in general meeting, the number of Directors shall not be less than three. It is not the intention that the Fund will ever have less than three Directors.

The Directors have the power at any time to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office until the next following Annual General Meeting and shall then be eligible for re-election.

There is no share qualification for Directors but Directors are entitled to receive notice of and attend all general meetings of the Fund.

A Director is not required to retire by rotation. A Director may be removed, inter alia, at any time by an ordinary resolution of the Fund passed in general meeting.

The Directors shall be entitled to such remuneration as may be voted to them by the Fund by ordinary resolution in general meeting. Unless otherwise determined as aforesaid the Directors shall be entitled to grant to any Director by way of such remuneration a sum not exceeding such sum as may be determined by the Directors from time to time and stated in this Prospectus or the relevant Supplement. The Directors may also be paid all travelling, hotel and other expenses properly incurred by them in connection with the business of the Fund and may grant special remuneration to any Director for any special or extra services which he has been called upon to perform.

Each Director may appoint any person to be his alternate director provided that no person who is resident or ordinarily resident in the United Kingdom may be so appointed unless his appointer is also resident or ordinarily resident in the United Kingdom.

A Director may hold any other office or place of profit under the Fund (other than the office of Auditor) in conjunction with his office of Director on such terms as to tenure of office and otherwise as the Directors may determine. A Director may also act by himself or through his firm in a professional capacity (other than as Auditor) for the Fund and he or his firm will be entitled to remuneration for such professional services as if he were not a Director.

A Director may be or may become a director or other officer or member of any company in which the Fund may be interested and no such Director shall be accountable to the Fund for any remuneration or other benefits received by him as director or other officer or member of such other company.

A Director may contract with the Fund and no contract or arrangement made by the Fund in which any Director is in any way interested shall be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Fund for any profit realised by any such contract or arrangement but the nature of this interest must be declared at a meeting of the Directors.

A Director may not normally vote or be counted in the quorum of the Directors' meeting in respect of any contract or arrangement in which he or any associate of his is materially interested other than as a shareholder.

A Director may not be entitled to vote or be counted in the quorum at any meeting at which proposals are under consideration concerning his appointment to hold any office.

In so far as the Companies Law allows every present or former Director, Secretary and other officer or servant of the Fund and each of their heirs, administrators and executors is indemnified and secured harmless out of the assets and profits of the Fund against any loss or liability incurred by him by reason of being or having been such an officer or servant.

Borrowing Powers

The Directors may exercise all the powers of the Fund to borrow money (including the power to borrow for the purpose of redeeming shares) and hypothecate, mortgage, charge, create a security interest over or pledge its undertaking, property, uncalled capital and its assets or any part thereof, and to issue debentures, debenture stock or other securities, whether outright or as collateral security for any debt, liability or obligation of the Fund or of any third party.

Winding Up

The Fund may be voluntarily wound up at any time by a special resolution of the Fund. The Directors are bound to convene an extraordinary general meeting for the purpose of passing a special resolution for the winding up of the Fund if the Fund's authorisation under the POI Law is revoked (unless the Guernsey Financial Services Commission otherwise agrees). On a winding up a liquidator will be appointed firstly to pay the debts of the Fund and then to distribute its assets amongst Shareholders according to the following order of priority:

1. first, the holders of the founder shares shall be paid a sum equal to the amount paid for the issue of such shares out of the assets of the Fund not comprised within any Class Fund,
2. second, the holders of the P Shares shall be paid all accrued but unpaid dividends in respect of such shares out of the assets of the relevant Class Fund,
3. third, the balance then remaining in any Class Fund shall be paid to the holders of the Shares relating to that Class Fund (as one class) in proportion to the number of shares of that class held.

Supplements

As stated, the Directors must prior to the issue of a new class of Shares issue a Supplement specifying all relevant provisions for a Class Fund required to be contained in such Supplement in accordance with the Articles of Incorporation.

The Supplement shall specify in relation to a Class Fund:-

- (a) the accounting date, the dealing days, the distribution date, if any, and the valuation point;
- (b) the currency in which Shares relating to the Class Fund will be denominated and in which the Class Fund will be valued;
- (c) the initial Subscription Price of Shares;
- (d) the initial charge and any other charges which may be levied by the Administrator or the Fund on the issue, redemption or conversion of Shares of the relevant Class;
- (e) details of the terms and conditions, if any, applicable to, and procedures to be observed in connection with, the issue, conversion and redemption of Shares, including provisions as to whether or not share certificates shall be issued, the periods for settlement of monies or assets payable or transferable to or from the Class Fund upon the issue, conversion or redemption of participating shares, periods of notice to be given and any charges which may be levied on a Shareholder;
- (f) any prohibition or condition applicable to the transfer of relevant Shares as described herein;
- (g) the investment policies and powers, and limitations on investment of the assets of the Class Fund;

- (h) the limit on borrowing for the Class Fund and any other conditions to be applied in connection therewith;
- (i) the distribution policy and details as to the manner of, and all matters relating to the making of, distributions out of the Class Fund;
- (j) fees and other payments or reimbursements which may be paid out of the Class Fund to the Administrator, the Investment Adviser and the Custodian;
- (k) the bases relating to the determination of the NAV of a Class and the calculation of the price or prices at which Shares of the relevant Class may be issued, redeemed or converted by the Fund or sold and purchased by or on behalf of the Fund by reference to the NAV and provisions for the equalisation of dividends (if any) of the relevant Class Fund.

Material Contracts

Principal Terms

The following contracts have been entered into as at the date of this Prospectus and are or may be material: -

- (i) An administration agreement between the Fund and the Administrator dated 15 July 2015 (the “**Administration Agreement**”) whereby the Fund appointed Cannon Asset Management Limited, subject to the overall supervision of the Directors and with powers of delegation, to manage the Fund’s administrative affairs and to act as Secretary and Registrar. Details of the remuneration of the Administrator agreed between the Administrator and the Fund in respect of each Class Fund are shown in the relevant Supplement. Either the Fund or the Administrator may terminate the Administration Agreement, *inter alia*, by giving not less than six months’ written notice to the other unless a shorter period is mutually agreed by both parties.
- (ii) A custodian agreement between the Fund and the Custodian dated 17 June 2011 (the “**Custodian Agreement**”) whereby ABN AMRO (Guernsey) Limited was appointed Custodian of the Fund, with the power to delegate. The Custodian has no responsibility for the selection of investments. Details of the remuneration of the Custodian in respect of each Class Fund are shown in the relevant Supplement. Either the Fund or the Custodian may terminate the Custodian Agreement, *inter alia*, by giving not less than six months’ written notice to the other unless a shorter period is mutually agreed by both parties. So long as there are Shares in issue, the Custodian shall not be entitled to retire unless another custodian has been appointed in place of the outgoing custodian.
- (iii) An investment advisory agreement between the Fund and the Investment Adviser dated 17 June 2011 (the “**Investment Advisory Agreement**”) whereby the Fund has appointed Montreux Advisers Limited as Investment Adviser subject to the overall supervision of the Directors to advise in relation to certain Class Funds in accordance with the investment objectives of such Class Funds and the investment policy of the Directors. All activities engaged in by the Investment Adviser in the performance of its duties under the Agreement shall at all times be in accordance with the terms of the Agreement and shall be subject to the control of and review by the Fund. Details of the remuneration of the Investment Adviser in respect of each Class Fund are shown in the relevant Supplement. The Directors and the Investment Adviser may terminate the Agreement, *inter alia*, by giving not less than six months’ written notice to the other unless a shorter period is mutually agreed by all parties.
- (iv) A corporate services agreement between the Fund, Cannon Asset Management Limited (the “**Corporate Services Provider**”) and each of the SPVs dated 17 June 2011 (the “**Corporate Services Agreement**”) whereby the Fund has appointed the Corporate Services Provider as corporate services provider to the SPVs, to provide corporate administration services to or make arrangements for the administration of the SPVs (including the provision of directors and secretary for each SPV). The boards of each SPV comprise directors provided by the Corporate Services Provider or by its delegates and will act as custodian to the assets of the relevant SPV. The Corporate Services Provider reserves the right to delegate the provision of such services to third party corporate services providers at any time (in particular in relation to an SPV where an SPV is registered in a jurisdiction outside of Guernsey). The Directors and the Corporate Services Provider may terminate the Agreement, *inter alia*, by giving not less than thirty days’ written notice to the other unless a shorter period is mutually agreed by all parties.

Indemnities

Each of the material contracts contain provisions indemnifying and exempting the relevant functionaries from any liability arising from the performance or non-performance of their duties other than due to wilful default, bad faith, fraud or negligence.

Conflicts of Interest

The Directors, the Administrator, the Custodian and the Investment Adviser appointed in relation to the Fund or companies with which any of them are associated may from time to time act as directors, manager, custodian, administrator or the investment adviser or in relation to, or be otherwise involved in, other funds established by parties other than the Fund which have similar objectives to those of the Fund. It is therefore possible that any of them may, in the course of business, have potential conflicts of interest with the Fund or any individual Class Fund or SPV of the Fund. Each of them will, at all times, have regard in such event to its obligations to the Fund and will endeavour to ensure that such conflicts are resolved fairly. In addition any of the foregoing may deal as principal or agent with the Fund, provided that such dealings are carried out as if effected on normal commercial terms negotiated on an arm's length basis. The Administrator or any of its affiliates or any person connected with the Administrator may invest in, directly or indirectly, or manage or advise other funds or accounts which invest in assets which may also be purchased or sold by the Fund. Neither the Administrator nor any of its affiliates nor any person connected with it is under any obligation to offer investment opportunities of which any of them becomes aware to the Fund or to account to the Fund in respect of (or share with the Fund or inform the Fund of) any such transaction or any benefit received by any of them from any such transaction. Equally the Investment Adviser may invest in, directly or indirectly, or manage or advise other funds or accounts which invest in assets which may also be purchased or sold by the Fund. Neither the Investment Adviser nor any of its affiliates nor any person connected with it is under any obligation to offer investment opportunities of which any of them becomes aware to the Fund or to account to the Fund in respect of (or share with the Fund or inform the Fund of) any such transaction or any benefit received by any of them from any such transaction. In determining the NAV of the assets of any Shares the Directors may rely on valuations provided or attributed to any asset or liability by the Administrator.

The Administrator may deal in Shares without accounting to the Funds for profits arising therefrom.

Richard Van Vliet is a director of the Fund and the managing director of the Administrator (which is also the Corporate Services Provider) and a shareholder of the Investment Adviser.

Eric Mounier is a director of the Fund and of the Investment Adviser. He is also a shareholder of the Investment Adviser.

Michael Fienberg is a Director of the Fund and a director of the Administrator (which is also the Corporate Services Provider).

Conflicts of Interest specifically in relation to any of the Class Funds will be set out in the relevant Supplement.

Directors' Interests

No Director has any interest in any transaction which is of an unusual nature, contains unusual terms or which is significant in relation to the business of the Fund. Save as disclosed herein or in a relevant Supplement, no Director of the Fund has any interest, direct or indirect, in any assets which have been, or are proposed to be, acquired, or disposed of by, or leased to the Fund or any Class Fund or in the promotion of the Fund or any Class Fund.

There are no outstanding loans granted by the Fund to any of the Directors or any guarantees provided by the Fund for the benefit of any of the Directors.

Any significant activities of any Director of the Fund not connected with the business of the Fund are set out in the information relating to that Director above.

Details of any other directorships that are held or have been held in the previous five years by any of the Directors will be made available to any potential Shareholder at the Fund's registered office.

As at 31 March 2016 (being the last practicable date prior to the date of this Prospectus) the interests of the Directors in the Shares were as follows:

	A Class participating shares (number)	P Class preference shares (number)	C Class participating shares (number)
Eric Mounier	71,141.914	27,057.243	438,199.338
Richard van Vliet	11,534.653	2,981.811	15,687.367
Michael Fienberg	-	-	-
Kerry Fynn	-	-	-

Interests of other parties

As at 31 March 2016 (being the last practicable date prior to the date of this Prospectus), and so far as is known to the Directors (having made reasonable enquiry), none of the Administrator, the Custodian, the Investment Adviser and the Auditor held any interest in the Shares.

Directors of the Administrator

The directors of the Administrator are Richard van Vliet, Adrian Cann, Arthur Evans, Anne Wilby and Michael Fienburg.

Risk Factors

There can be no assurance that any Class or any Class Fund to which it relates will achieve its investment objectives.

Potential investors should note that the investments of each Class and each Class Fund into which it invests are subject to market fluctuations and other risks inherent in investing in residential and commercial property, securities or investments of the kind and nature in which a Class invests and there can be no assurance that any appreciation in value will occur. In particular, the value of investments may be affected by uncertainties such as international, political and economic developments or changes in government policies.

The value of investments and the income from them, and therefore the value of, and income from, Shares of a Class Fund can go down as well as up and an investor may not recoup the original amount invested in a Class Fund. Accordingly, the Fund is suitable only for financially sophisticated, high net worth or institutional investors and an investment should only be made by those persons who are able to sustain a loss on their investment.

Changes in exchange rates between currencies may also cause the value of the investments to diminish or increase. Depending on the currency of reference of each Class Fund or of each Class currency fluctuations may adversely affect the value of an investment.

An investor who realises Shares of a Class Fund after a short period may, in addition, not realise the amount originally invested in view of any initial charge made on the issue of the Shares and any other charges payable in respect of such Class as set out in this document or the Supplements.

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

In the event of the Fund being unable to meet liabilities attributable to any particular Class Fund out of the assets attributable to such Class Fund, the excess liabilities may be met out of the assets attributable to the other Class Funds. The Fund is an umbrella fund and where the assets of a Class Fund are insufficient to meet that Class Fund's liabilities any liabilities which remain undischarged will attach to the Fund as a whole and be allocated amongst other Class Funds. The Class Funds identified in the Supplements attached are the only Class Funds in existence. The Class Funds may invest in properties via special purpose companies ("SPVs"). A single SPV may be used to hold each property acquired by a Class Fund. Any finance sought for property acquisitions will be at the SPV level thus endeavouring to ring-fence the finance according to the property to which it pertains.

Reliance on Investment Adviser:

The Investment Adviser provides policy guidance and investment advice to the Fund. The Fund's success depends, to a large extent, upon the Investment Adviser's ability to recommend appropriate investments. In addition if any of the officers of the Investment Adviser cease to participate in the operation of the Investment Adviser to the extent that they relate to the operations of the Fund for any reason, the operations, objectives and activities of the Fund may be adversely affected.

Class Specific Risks:

Potential investors are also directed to the specific risks which apply to the investment policy and profile to be pursued in respect of each Class and related Class Fund as set out in each Supplement if different to the above.

Each Class Fund will be responsible for paying its fees and expenses regardless of the level of its profitability. The differing investment policies and objectives of each Class Fund mean that the Classes are exposed to different types and degrees of risk and potential liability.

Conflicts of Interest.

Potential investors are also directed to the conflicts of interest section outlined at page 31 above and the corresponding section in the relevant Supplement for details of conflicts that may arise in relation to the structure.

Investors should note that any references to tax concessions are to those currently applying - these may be subject to change in the future.

The investments of the Fund in securities are subject to normal market fluctuations and other risks inherent in investing in securities.

If you are in any doubt as to the suitability of an investment in the Fund given your risk preferences you should seek independent financial advice.

Additional Information

Incorporation of the Fund and migration to Guernsey

The Fund was incorporated in Jersey on 24 July 2006 with registered number 94101 with limited liability under the provisions of the Companies (Jersey) Law 1991. On 17 June 2011 the Fund migrated to Guernsey by becoming registered in Guernsey with registered number 53619 as a non-cellular company limited by shares under the provisions of the Companies Law. The Fund ceased to be registered as a company in Jersey on 1 July 2011.

Reports and Accounts

The annual accounting date of the Fund is 31 March of each year. The audited annual financial statement will be prepared in accordance with the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). and will be sent to shareholders no later than the last day of September of each year.

The Fund does not produce interim financial statements but provides quarterly reports to Shareholders.

Meetings

The Directors may call an Extraordinary General Meeting at any time. Shareholders representing at least one-tenth in nominal value of the Shares which carry the right to vote at the relevant meeting may require the Directors to call an Extraordinary General Meeting or, as the case may be, a meeting of the holders of a Class of Shares, provided that the requisition is signed by the shareholders requisitioning the meeting and that it states the matter or matters to be submitted for consideration at the meeting. The Custodian may require the Directors to call an Extraordinary General Meeting or a meeting of the holders of a Class of Shares in relation to its position or interests of shareholders.

Annual General Meetings of the Fund will be held in Guernsey and must be held in each year provided that not more than 15 months shall elapse between the date of one Annual General Meeting and the next.

At least 14 days' notice must be given of an Annual General Meeting or an Extraordinary General Meeting. Shareholders unable to attend in person may appoint one or more proxies, to vote on their behalf. A poll may be demanded by the chairman of the meeting or by at least five shareholders present or by any shareholder or shareholders present representing at least one tenth of the shares in issue having the right to vote at the meeting.

The Directors, the Administrator, the Auditors and the Custodian shall be entitled to receive notice of and attend and speak at any general meeting of the Fund but shall not be entitled to vote other than as shareholders. Where the Administrator and the Custodian or any of their connected persons beneficially own any Shares such party may not and must procure that its associates do not exercise any voting rights conferred by such Shares or be counted in the quorum for the relevant meeting where any such vote is to approve any matter in which they or any of their connected persons have a material interest except in relation to voting rights in respect of Shares held by it as a trustee or nominee on behalf of a person (other than an associate) from whom it has received voting instructions.

Notices

Written notices to shareholders will be posted to the address shown in the Register. In the case of holdings in joint names, notices will be sent to the joint holder whose name stands first in the Register.

General

The Investment Adviser may at its discretion, and its own expense, pay commissions to investors or their agents. Save in accordance with these powers, no commission, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any capital of the Fund.

The Fund will not pay any brokerage or commission on any issue of Shares. Execution of transactions of the Fund will be consistent with best execution standards.

No capital of the Fund is under option or agreed conditionally or unconditionally to be put under option. The Fund has no loan capital outstanding or created but unissued as at the date of this Prospectus.

The Fund is not engaged in any legal or arbitration proceedings and, so far as the Directors are aware, no such proceedings or claims of material importance are pending or threatened against the Fund.

There are no proposed or existing service agreements between any of the Directors and the Fund. The Fund has no employees.

The Fund has not established and does not intend to establish a place of business in the United Kingdom. The Administrator may delegate administration functions to an entity in the United Kingdom.

Documents to inspect

Copies of the following documents are available for inspection free of charge during normal business hours on any weekday (Saturday and Public Holidays excepted) at the offices of the Administrator and are also available for purchase at a reasonable charge until further notice at the offices of the Administrator:

- (i) the Memorandum and Articles of Incorporation of the Fund;
- (ii) the Special Resolutions of the Fund;
- (iii) the material contracts of the Fund;
- (iv) the Companies Law;
- (v) the POI Law;
- (vi) the latest published annual reports and accounts of the Fund
- (vii) the latest published quarterly reports of the Fund; and
- (viii) the latest Prospectus of the Fund and any Supplement thereto.