

## **SCHEME PARTICULARS dated 21<sup>st</sup> June 2013**

This document (the "Scheme Particulars") constitute scheme particulars given in compliance with the Collective Investment Scheme (Class B) Rules 1990 (the "Rules") for the purpose of giving information with regard to the Universal Mutual Fund ICC Limited (the "Fund"). The information furnished in the scheme particulars is for use only by a prospective investor for the purposes of evaluating a possible investment in the participating redeemable preference shares (the "Shares") in the incorporated cells of the Supplemental Scheme Particulars (the "Supplemental Scheme Particulars"). These Scheme Particulars should be read in conjunction with the relevant Supplemental Scheme Particulars. If you are in any doubt about the contents of the Scheme Particulars you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial advisor.

The directors of the ICC, whose names appear under the heading "Directory" on page 12 (the "Directors"), collectively and individually accept full responsibility for the accuracy of the information in these Scheme Particulars. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in these Particulars is true and accurate in all material respects and there are no other material facts the omission of which would make misleading any statement contained in this document, whether of fact or opinion.

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### **THE UNIVERSAL MUTUAL FUND ICC LIMITED (the "ICC")**

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The ICC was required in Guernsey as an incorporated cell company limited by shares under the provisions of the Companies (Guernsey) Laws, 1994 and 1996, as amended (the "1994 Companies Laws") and the Incorporated Cell Companies Ordinance, 2006, as amended (the "ICC Ordinance"), on 26 September 2007. This legislation has been repealed and the ICC is now governed by the Companies (Guernsey) Law, 2008 as amended (the "Companies Law"). The following Cells of the ICC have been incorporated:

- 1) The Sovereign Opportunities Fund (GBP) IC Limited
- 2) The Excelsior Opportunities Fund (GBP) IC Limited
- 3) The Excelsior Opportunities Fund (USD) IC Limited
- 4) The Ascenta Special Situations Resource Fund (GBP) IC Limited
- 5) The Ascenta Special Situations Resource Fund (USD) IC Limited
- 6) The Ascenta Special Situations Resource Fund (CAD) IC Limited
- 7) The Ascenta Special Situations Resource Fund (Euro) IC Limited (together the "Cells")

## IMPORTANT INFORMATION

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PROSPECTIVE INVESTORS SHOULD NOT TREAT THE CONTENTS OF THESE SCHEME PARTICULARS AS ADVICE RELATING TO LEGAL, TAXATION, INVESTMENT OR ANY OTHER MATTERS. PROSPECTIVE INVESTORS SHOULD INFORM THEMSELVES OF (A) THE LEGAL REQUIREMENTS WITHIN THEIR OWN COUNTRIES FOR THE PURCHASE, HOLDING, TRANSFER, REDEMPTION OR OTHER DISPOSAL OF SHARES, (B) ANY FOREIGN EXCHANGE RESTRICTIONS WHICH THEY MAY ENCOUNTER APPLICABLE TO THE PURCHASE, HOLDING, TRANSFER, REDEMPTION OR OTHER DISPOSAL OF SHARES AND (C) THE INCOME AND OTHER TAX CONSEQUENCES WHICH MAY APPLY IN THEIR OWN COUNTRIES AS A RESULT OF THE PURCHASE, HOLDING, TRANSFER, REDEMPTION OR OTHER DISPOSAL OF SHARES. IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OR EFFECT OF THESE PARTICULARS, OR THE LEGAL, TAX, REGULATORY OR OTHER MATTERS RELATING TO AN INVESTMENT IN THE ICC OR ANY OF ITS CELLS, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, LAWYER, ACCOUNTANT OR FINANCIAL ADVISOR.**

This document together with any Cell Particulars issued in respect of a particular Cell represent Scheme Particulars and Supplemental Scheme Particulars for the ICC and its Cells as required by and prepared in accordance with the Rules as issued by the Guernsey Financial Services Commission (the "GFSC") pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987 to 1998, as amended (the "POI Law"). These Scheme Particulars and Supplemental Scheme Particular will be revised at least once in every twelve month period and prospective investors should enquire of the Administrator as to whether this document has been revised or suspended.

The ICC and the Cells have been authorised by the GFSC under the POI Law and declared by the GFSC to be a Class B Scheme on 12 February 2008. In giving this authorisation, the GFSC does not vouch for the financial soundness of the ICC or the Cells or for the correctness of any statements made or opinions expressed with regard to them.

Investors in the ICC or the Cells are not eligible for the payment of any compensation under the Collective Investment Schemes (Compensation of Investors) Rules 1988 made under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 to 1998, as amended. Investors in the ICC or any Cell must be over the age of 18.

No broker, dealer or other person has been authorised by the ICC, the Cells or by any of their agents to issue any advertisement or to give any information or to make any representations in connection with the offering or sale of Shares other than those contained in these Particulars and, if issued, given or made, such advertisement, information or representations must not be relied upon as having been authorised by the ICC, a Cell or any of their agents. Statements made in these Scheme Particulars and each of the Supplemental Scheme Particulars are based on the law and practice in force at the date hereof and are subject to changes therein. Neither the delivery of these Scheme Particulars and each of the Supplemental Scheme Particulars nor the issue of Shares shall, under any circumstances, imply that there has been no change in the circumstances affecting any of the matters contained in these Particulars since the date of the document.

**These Scheme Particulars and relevant Supplemental Scheme Particulars do not constitute, and may not be used for the purposes of, an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised, or in which the person making such offer or invitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation. The distribution of these Scheme Particulars and relevant Supplemental Scheme Particulars and the offering of Shares in certain jurisdictions may be restricted and accordingly persons into whose possession such documents come are required to inform themselves about and to observe such restrictions.**

None of the Shares has been or will be registered under the United States of America Securities Act of 1933, as amended (the "Securities Act"), and, except as described herein, none of the Shares may be offered or sold, directly or indirectly, in the United States of America, its territories or possessions or any area subject to its jurisdiction (the "United States") or to any resident thereof (including any corporation, partnership or other entity created or organised in or under the laws of the United States or any political subdivision thereof) or any estate or trust that is subject to United States federal income taxation regardless of the source of its income. In addition, the ICC and its Cells have not been and will not be registered under the United States Investment Company Act of 1940, as amended and investors will not be entitled to the benefit of such Act. The Manager has not been registered under the United States Investment Advisers Act of 1940, as amended.

The Directors of the ICC may in their discretion decline any application for Shares and are not obliged to give reasons for so doing.

These Scheme Particulars and each of the Supplemental Scheme Particulars relate to the ICC and its Cells only.

**AN INVESTMENT IN ANY CELL OF THE ICC SHOULD BE REGARDED AS A LONG-TERM INVESTMENT. THE VALUE OF SHARES MAY FALL AS WELL AS RISE. THERE CAN BE NO GUARANTEE THAT A CELL'S OBJECTIVE WILL BE ACHIEVED AND INVESTORS MAY NOT GET BACK THE AMOUNT ORIGINALLY INVESTED. INVESTORS ARE REFERRED TO THE SECTION HEADED "RISK FACTORS" ON PAGE 15 *ET SEQ.***

## **Table of Contents**

<b>DEFINITIONS .....</b>	<b>6</b>
<b>DIRECTORY .....</b>	<b>10</b>
<b>THE UNIVERSAL MUTUAL FUND ICC LIMITED .....</b>	<b>11</b>
<b>RISK FACTORS .....</b>	<b>13</b>
<b>THE MULTI AND SINGLE MANAGER CONCEPTS.....</b>	<b>19</b>
<b>SUBSCRIPTION, REDEMPTION AND CONVERSION OF SHARES.....</b>	<b>23</b>
<b>MANAGEMENT AND ORGANISATION.....</b>	<b>30</b>
<b>FEES AND EXPENSES .....</b>	<b>36</b>
<b>CONFLICTS OF INTEREST .....</b>	<b>39</b>
<b>TAXATION.....</b>	<b>40</b>
<b>ANTI-MONEY LAUNDERING .....</b>	<b>43</b>
<b>ADDITIONAL INFORMATION .....</b>	<b>44</b>

## DEFINITIONS

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The following words shall have the meanings opposite them unless the context in which they appear requires otherwise:

1940 Act	United States Investment Company Act of 1940, as amended;
1933 Act	United States Securities Act of 1933, as amended;
Administrator	The designated manager of the ICC, being Fund Corporation of the Channel Islands Limited;
Articles	the articles of association/incorporation of the ICC for the time being;
Base Currency	the currency in which different classes of Shares may be denominated by the Directors;
Business Day	any day on which banks in Guernsey and London are open for normal banking business (excluding Saturdays, Sundays and public holidays);
Cell or Incorporated Cell	an incorporated cell of the ICC registered in accordance with and subject to the provisions of the Companies Law and created for the purposes of segregating and protecting cellular and core assets of the ICC;
Cell Articles	the articles of association of a Cell for the time being;
Collective Investment Vehicle	an arrangement that enables a number of investors to "pool" their assets and to share the associated costs and have these professionally managed by the independent manager.
Custodian	Deutsche Bank International Limited, Guernsey branch, or such other custodian as may from time to time be appointed;
Dealing Day	an Investment Dealing Day or a Redemption Dealing Day (as more particularly described in the Supplemental Scheme Particulars);
Directors	the directors for the time being of the ICC;
Eligible Investor	any person other than a Prohibited Person;
Extraordinary Resolution	a resolution of a general meeting of the ICC or of a particular Cell or the holders of a particular class of Share, as the case may be, passed by a majority of not less than three quarters of the votes recorded including, where there is a poll, any votes cast by proxy;

Guernsey	the Island of Guernsey;
ICC	The Universal Mutual Fund ICC Limited, an incorporated cell company, incorporated in Guernsey with registered number 47802, the registered office of which is at Roseneath, The Grange, St Peter Port, Guernsey, GY1 3SJ;
ICC Share	a share in the capital of the ICC, excluding, for the avoidance of doubt Shares;
Investment Advisor	an investment advisor from time to time appointed to provide investment advice in relation to any Cell;
Investment Dealing Day	For each Cell, any Business Day on which Shares of that Cell may be issued as specified in the relevant Supplemental Scheme Particulars;
Net Asset Value or NAV	the value of the assets of a Cell less the liabilities attributable to that Cell, determined in accordance with the Cell Articles and described in "Calculation of Net Asset Value" on page 26;
Manager	the principal manager of the ICC, being Lancelot Management Limited, Sarnia House, Le Truchot, St Peter Port, Guernsey GY1 6HT;
Management Fee	the periodic fee payable to the Manager by each Cell;
Offer Period	the period (if any) specified as such in the relevant Supplemental Scheme Particulars;
Ordinary Resolution	a resolution of a general meeting of the ICC or a Cell or the holders of a particular class of Share, as the case may be, passed by an absolute majority of the votes recorded, including, where there is a poll, any votes cast by proxy;
POI Law	Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended;
Prime Broker	Such broker which the ICC may from time to time approve in respect of a Cell to provide prime brokerage services;
Prime Brokerage Agreement	Such prime brokerage customer documents entered into between the ICC, the relevant cell and the Prime Broker setting out the terms of the prime brokerage arrangements;
Prohibited Person	any person, as determined by the Directors, to whom a sale transfer of Shares would be in breach of the laws or requirements of any jurisdiction or governmental authority or in circumstances (whether taken alone or in conjunction with other persons or any other circumstances appearing to the Directors to be relevant) which, in the opinion of the Directors might

result in the ICC, any of its Cells and/or its or their Shareholders as a whole incurring any liability to taxation or suffering any other regulatory, pecuniary, legal or ICC or its Cells might not otherwise have suffered or incurred, and for this purpose US Persons, unless the Directors in any particular case otherwise agree, are Prohibited Persons

Recognised Investment Exchange	any stock or investment exchange, institution or screen based or other electronic quotation or trading system providing dealing facilities or quotations for investments approved from time to time by the Directors;
Redemption Price	the price per Share at which Share will be redeemed calculated in accordance with the Articles and as set out in the Scheme Particulars;
Redemption Dealing Day	For each Cell any Business Day on which Shareholders in that Cell are entitled to have their Shares redeemed as specified in the Supplemental Scheme Particulars;
Register	the register of Members for the time being of the ICC or a Cell, as the case may be;
Registrar	Fund Corporation of the Channel Islands Limited;
Rules	the Collective Investment Scheme (Class B) Rules 1990
Scheme Particulars	this document;
Share	in relation to a Cell, a participating redeemable preference share in the capital of that Cell;
Shareholder	a registered holder of a Share;
Special Resolution	a resolution of a general meeting of the ICC or a Cell or the holders of a particular class of Share, as the case may be, passed as a special resolution in accordance with the Companies Laws by a majority of three quarters or more of the total number of votes recorded, including, where there is a poll any votes cast by proxy and subsequently registered in accordance with the Companies Laws;
Sterling	the lawful currency of the United Kingdom;
Subscription Price	the price per Share at which Shares will be issued calculated in accordance with the Articles and as set out in these Scheme Particulars;
Subscription Notice Period	for each Cell, the notice required to be given to the ICC by prospective investors of their wish to acquire Shares, as

	specified in the relevant Supplemental Scheme Particulars;
Supplemental Scheme Particulars	in relation to each of the Cells in existence or resolved by the Directors to be brought into existence, the Supplemental Scheme Particulars and setting out the strategies, terms and conditions and specific details applicable to the relevant cell;
USD or US Dollars or US\$	the lawful currency for the time being of the United States;
US Person	shall have the meaning ascribed to it on page 29; Valuation Day the day on which the Directors determine to value any Cell in accordance with the Articles, the Cell Articles and as specified in the relevant Supplemental Scheme Particulars; and
Valuation Point	such time at which the portfolio of each Cell is valued for the purpose of calculating the Net Asset Value, Subscription Prices and Redemption Prices of the Shares or for the purpose of calculating the fees payable to the Manager or Custodian (as more fully described in the relevant Supplemental Scheme Particulars).

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Use of the singular includes the plural and vice versa and use of any gender includes the other genders.

References in this document to "\$", "US\$", "US Dollars", "Dollars" and "Cents" are references to the lawful currency of the United States of America, references to "£" and "Sterling" are to pounds Sterling of the United Kingdom and references to "€" and "Euro" are references to the Euro, the lawful currency of certain European member states.

Any reference in this document to a law, ordinance, statute, statutory provision or subordinate legislation ("legislation") shall, except where the context otherwise requires, be construed as referring to such legislation as amended and in force from time to time and to any legislation which re-enacts or consolidates (with or without modification) any such legislation.

## DIRECTORY

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### Registered Office

Roseneath  
The Grange  
St Peter Port  
Guernsey  
Channel Islands  
GY1 3SJ

### Directors

David Cosgrove  
Daryn Hutchinson  
Paul Everitt  
Each of whose address is the registered office of the ICC

### Administrator, secretary and registrar

Fund Corporation of the Channel Islands Limited  
Roseneath  
The Grange  
St Peter Port  
Guernsey  
Channel Islands  
GY1 3SJ

### Legal advisors in Guernsey

Collas Crill  
Glategny Court  
PO Box 140  
Glategny Esplanade  
St Peter Port  
Guernsey  
GY1 4EW

### Investment advisors

As specified in the relevant Supplemental Scheme Particulars.

### Manager

Lancelot Management Limited  
Sarnia House  
Le Truchot  
St Peter Port  
Guernsey  
Channel Islands  
GY1 6HT

### Auditors

Saffery Champness  
La Tonnelles House  
Les Banques  
St Sampsons  
Guernsey

### Custodian

Deutsche Bank International Limited –  
Guernsey Branch  
Lefebvre Court  
Lefebvre Street  
St Peter Port  
Guernsey  
GY1 3WY

## THE UNIVERSAL MUTUAL FUND ICC LIMITED

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### **Introduction**

The ICC is an open-ended incorporated cell company limited by shares, which was registered in Guernsey on 26 September 2007. The ICC is an umbrella fund. The provisions of the Companies Law allow an incorporated cell company to which it applies to incorporate one or more cells (as incorporated cells) for the purpose *inter alia* of segregating and protecting the assets, constituted as separate legal entities, so that liabilities of the ICC attributable to one cell can only be satisfied out of the assets of that cell and holders of Shares in the capital of a particular cell have no right to the assets of any other cell. Details of the Cells which the ICC has resolved to incorporate can be found in the Supplemental Scheme Particulars which are included with these Scheme Particulars.

The Base Currency of the ICC is US Dollars and the Base Currency of each Cell and Share class is stated in the relevant Supplemental Scheme Particulars.

### **Overview**

In the event of any inconsistency, the details contained in the relevant Supplemental Scheme Particulars take precedence over any other terms or conditions contained in these Scheme Particulars.

The ICC is offering, through these Scheme Particulars and the relevant Supplemental Scheme Particulars, Shares in Cells and prospective investors are referred to the attached Supplemental Scheme Particulars for details of the strategies, terms and conditions and specific details that are applicable to the Cells.

Shares in each Cell can be subscribed for on the relevant Investment Dealing Days at a price equal to the Net Asset Value per Share plus an initial charge of up to 5.25% of the transaction amount (or such other percentage as may be specified in the relevant Supplemental Scheme Particulars).

The issue of Shares is not being underwritten.

The minimum number of Shares to be offered for subscription which must be subscribed for before the Directors may proceed to allotment shall be two (or such other number as may be specified in the relevant Supplemental Scheme Particulars).

### **Investment objectives and policy**

Each Cell will have its own particular investment objective. Details of the investment objectives, restrictions and approach of each Cell can be found in the relevant Supplemental Scheme Particulars.

### **Hedging**

The Directors may undertake hedging transactions at the Cell level. These hedging transactions may be designed to protect the capital from adverse movements in currencies, interest rates or other market factors. Hedging strategy at the Cell level will depend on the specific objectives of the Cell and are described in the relevant Supplemental Scheme Particulars.

***Borrowings***

The circumstances in which any Cell may borrow and the limits on the amounts which each Cell may borrow (and have outstanding) are set out in the Supplemental Scheme Particulars.

***Distribution policy***

The distribution policy adopted by the Directors in relation to each Cell is set out in the relevant Supplemental Scheme Particulars.

## RISK FACTORS

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The following factors are among the investment considerations that should be carefully considered by prospective Shareholders in evaluating the merits and suitability for them of an investment in a Cell. Not all of the factors set out below will be relevant to every Cell, as different Cells may invest in different types of instruments and underlying funds and employ differing investment strategies, or the factors may be relevant to the underlying investments made by a particular Cell. These factors should be read in conjunction with the relevant Supplemental Scheme Particulars so as to ascertain their applicability to an investment in the Cell concerned.

An investment in Shares of a Cell may involve a high degree of risk or involve a varying degree of risk. Accordingly, prospective investors should consider carefully all of the information set out in these Supplemental Scheme Particulars and the risks attaching to an investment in each particular Cell, including, in particular, the risks described in the relevant Supplemental Scheme Particulars prior to making any investment decision. The information below is general in nature, does not purport to be an exhaustive list or summary of the risks which the ICC or its Cells may encounter and is not set out in any particular order of priority. Investors should consider carefully whether an investment in a Cell is suitable for them in the light of the information in these particulars and the relevant Supplemental Scheme Particulars and the financial resources available to them.

The ICC's and each Cell's financial condition or operations could be materially and adversely affected by the occurrence of any of the risks described below. In such case, the market price of the Shares of a Cell could decline due to any of these risks and investors could lose all or part of their investment. Additional risks and uncertainties not presently known to the Directors, or that the Directors currently deem immaterial, may also have an adverse affect on the ICC and its Cells.

Investors should ensure that the nature of the investment in a Cell is suitable for their personal needs given their risk profile and financial resources. The majority of Cell investments are highly specialist investments with a high degree of risk.

There can be no assurance that the investment objective of a Cell will be met. The success of a Cell will depend on the Manager's and/or any Investment Advisor's ability to identify, acquire and realise investments in accordance with the Cell's investment objectives.

The ability of the Cell to achieve its investment objective is significantly dependent upon the expertise of the principal members of the Manager and any Investment Advisor. The departure of those principal members may negatively impact the ability of a Cell to achieve its investment objectives.

There is no guarantee that investors will be able to buy or sell shares in a Cell that will fully reflect their Net Asset Value. The market, if any, for the shares is likely to be small, illiquid and concentrated in a small number of investors.

Under the laws of Guernsey, to which the ICC and its Cells are subject, there are no rules restricting the ability of the Directors to issue additional Shares in a Cell on a non pre-emptive basis at any time. In the event that the Directors were to issue further Shares in a Cell in the future, or the perception that such issues will occur, the Net Asset Value per Share of the existing Shares in the Cell then in issue and/or the trading price of the Shares in the Cell may be adversely affected.

A Cell may at certain times hold a few relatively large investments. Any such concentration of investments subjects the Cell to increased exposure to significant declines in the value of one investment. Such concentration may result in significant losses for the Cell.

Many Cells will contemplate the use of leverage or gearing either through borrowing or the use of derivatives. Generally, gearing is used to increase the overall level of investment in a portfolio. Higher investment levels may offer the potential for higher returns. Gearing exposes investors to increased risk as it increases the portfolio's market exposure and volatility.

Certain assets held by a Cell may be unquoted or illiquid and have no ready market or pricing mechanism to obtain a valuation. As such the calculation of the Net Asset Value may be difficult to obtain and alternative methods such as appropriate accounting standards or an independent estimate may be used which may not accurately reflect the immediately realisable value of an asset. In extreme market circumstances, it may not be possible to obtain reliable valuations of one or more assets of a cell, in which event Net asset Value calculation may become unreliable and prejudicial to Shareholders. In such circumstances the Directors may exercise their discretion to suspend dealing.

Some Cells may hold physical assets which have risks not normally associated with financial assets. These include, but are not limited to, deterioration over time, accidental damage, and logistical risks such as transportation and storage. Physical assets may also have higher costs associated with buying and selling, storage and maintenance.

Legal and regulatory changes could occur that may adversely affect the value of a Cell's investments and the ability of the Cell to successfully pursue its investment strategy.

Any change in the ICC's or Cell's tax statuses, or in taxation legislation or in the interpretation or application of taxation legislation affecting the ICC, a Cell or a Cell's investments could affect the value of investments held by a Cell, a Cell's ability to achieve its stated objective and/or alter the post tax returns receivable by Shareholders.

Investors should be aware that a change in their own circumstances (such as a change in domicile) or a change in the taxation regime in their own domicile may adversely affect the post tax returns of their investment in a Cell.

Investors should be aware that the Manager, Investment Advisors, their affiliates or employees may have positions in the Cells or in the assets of each Cell. They may also advise other clients on the same or similar assets to those held by a Cell. Such positions may involve a conflict of interest which shall be resolved by the Directors using their judgement as to what is in the best interests of those investors.

Prospective investors should be aware that a Cell's assets may be predominantly denominated in a currency other than the currency of the shares in a Cell. Any depreciation in the currency of the assets could have an adverse impact on the performance of the Net Asset Value of the Cell. A Cell may enter into currency hedging transactions but appropriate mechanisms on acceptable terms are not expected to be readily available for all investments.

The past performance of other investments managed by the Manager or the Investment Advisors or any pro forma figures seen by an investor cannot be relied upon as an indication of the ICC's or a Cell's success.

Given the scope of the type of investments that the Cells can invest in, investors should note that these risk factors are not exhaustive and should perform their own due diligence on the risks associated with the underlying investments in each Cell.

### ***Investment objectives and policies***

The purpose of the ICC is to facilitate a structure of separate authorised Cells, with each Cell having its own legal personality distinct investment objectives, restrictions and risk profile.

The investment objective of each Cell is set out in the relevant Supplemental Scheme Particulars.

Subject always to the provisions of the Rules, the Directors will have the power from time to time to change the investment objectives and policies of any Cell.

### ***Investment strategy***

The Cells will invest in a way which allows Shareholders access to the skills of a range of investment advisers and/or managers which employ different investment techniques and risk profiles and which are active in different countries, geographic markets or economic sectors throughout the world and utilise different investment products and instruments. The Cells will also adopt "non traditional" or "hedge-style" investment strategies ("Alternative Strategies").

### ***Market risk equity and fixed income strategies***

The strategies employed by each Cell, may include but are not limited to:

- 1) global investing. Taking a world-view on investing, diversifying and switching amongst different markets, currencies and economic environments, using common stocks, bonds, financial instruments and currency;
- 2) long-term stock investing. Selecting common stocks or stock options based primarily upon fundamental market analysis, location of pockets of market inefficiency and an assessment of overall market trends. This strategy may also include purchasing preferred stocks, debt securities and short-term money market instruments;
- 3) short selling. Identifying and selling short (a strategy based on the sale of securities which an equity or fixed income manager believes to be mispriced by the market) common stocks that are overvalued, frequently in companies with accounting or management difficulties, or that face a severe down-turn in their business, resulting in questions as to their viability as going concerns or their market valuations;
- 4) undervalued assets stock investing. Investing in securities whose prices in the public market represent a *significant* discount from the private market value of the issuer's assets. The private market value is the value informed industry investors or participants are willing to pay to purchase assets with similar characteristics;
- 5) emerging growth stock investing. Investing in stocks of small to medium-sized enterprises with *exceptional* growth characteristics;
- 6) sector investing. Investing in securities in a specific geographical region or industry sector;
- 7) emerging markets investing. Investing in securities in emerging markets throughout the world (Central and South America, the Caribbean, Asia, Eastern Europe and the territory of the former USSR). This strategy may include purchasing equities and debt, buying and selling options on specific securities and on stock market indices, forward contracts and foreign currencies and engaging in short sales of securities;

- 8) mutual funds. Investing in and trading the shares of mutual funds or units of unit trusts, including closed-end funds;
- 9) fixed-income investing and hedging. Buying and selling debt instruments issued by public and private borrowers. Strategies may incorporate short selling, leverage (moneys borrowed, usually against the investment assets of a fund to increase invested assets) and the use of derivatives (such as options, futures, currency exchange futures and swaps and interest swaps);
- 10) currency and market hedging. Engaging in currency transactions in the spot and forward markets; and
- 11) credit linked zero coupon bonds: A security, typically issued from a collateralised special purpose vehicle ("SPV") with redemption and/or coupon payments linked to the occurrence of a credit event. (A credit event is an event that triggers settlement, determined by negotiation between parties at the outset of the agreement). A credit linked note/bond is a debt security that contains embedded credit derivatives. A zero coupon bond is a type of bond that offers no interest payments. In effect, the interest is included in the redemption value of the bond.

### ***Alternative fund strategies***

The strategies employed by funds following Alternative Strategies in which Cells may invest may include, but are not limited to:

- 1) arbitrage: Arbitrage is the process of taking advantage of perceived market mispricing between two related or highly correlated instruments;
- 2) hedge equities (long/short equities): The traditional hedge fund approach involves taking simultaneous long and short equity positions, in an attempt to globally neutralise overall market moves;
- 3) global macro: The global macro manager typically invests worldwide without any limitations either in his country allocations or in the types of assets or instruments traded. It is an opportunistic approach that takes advantage of shifts in macro economic trends;
- 4) event driven/distress: The manager focuses on securities of companies in reorganisation and bankruptcy, ranging from senior secured debt (low-risk) to the common stock of the company (high risk). Distressed companies typically are sound businesses that have balance sheet problems or companies with valuable assets that have suffered a serious cyclical downturn in cash flow. Those companies with a strong core business are almost always restructured by creating a new capital structure supported by current cash flow;
- 5) commodity trading adviser ("CTA's"): CTA's are managers active exclusively in the derivatives market. These are managers that implement their strategies (discretionary or systematic) mainly in futures long and short. The basic principle of this type of fund is investing part of its capital (between 10% and 30%) in derivatives, and keeping the rest of the capital in liquid assets;
- 6) credit linked zero coupon bonds: A security, typically issued from a collateralised SPV with redemption and / or coupon payments linked to the occurrence of a credit event. (A credit event is an event that triggers settlement, determined by negotiation between parties at the outset of the agreement). A credit linked note / bond is a debt security that contains embedded credit derivatives. A zero coupon bond is a type of bond that offers no interest payments. In effect, the interest is included in the redemption value of the bond;

- 7) distressed securities: Securities strategies invest in, and may sell short, the securities of companies where the securities price has been or is expected to be, affected by a distressed situation. This may involve reorganizations, bankruptcies, distressed sales and other corporate restructuring. Depending on the manager's style, investments may be made in bank debt, corporate debt, trade claims, common stock, preferred stock and warrants. Strategies may be sub-categorized as "high yield" or "orphan equities". Leverage may be used by some managers. Fund managers may run a market hedge using Standard and Poor's ("S&P") put options or put option spreads;
- 8) equity hedge: Equity Hedge investing consists of a core holding of long equities hedged at all times with short sales of stocks and/or stock index options. Some managers maintain a substantial portion of assets within a hedged structure and employ leverage. Where short sales are used, hedged assets may be comprised of an equal dollar value of long and short stock positions. Other variations use short sales unrelated to long holdings and/or puts on the S&P index and put spreads. Conservative funds might take market risk by maintaining market exposure from zero to 100 percent. Aggressive funds may magnify market risk by exceeding 100 percent exposure and, in some instances, maintain a short exposure. In addition to equities, some funds may have limited assets invested in other types of securities;
9. fixed income arbitrage: Fixed income arbitrage is a market neutral hedging strategy that seeks to profit by exploiting pricing inefficiencies between related fixed income securities while neutralizing exposure to interest rate risk. Fixed income arbitrage is a generic description of a variety of strategies involving investment in fixed income instruments, and weighted in an attempt to eliminate or reduce exposure to changes in the yield curve. Managers attempt to exploit relative mispricing between related sets of fixed income securities. The generic types of fixed income hedging trades include: yield-curve arbitrage, corporate versus Treasury yield spreads, municipal bonds versus treasury yield spreads and cash versus futures. Managers differ in the degree to which they hedge interest rate risk, foreign exchange risk, inter-market spread risk, and credit risk. Leverage depends on the types of the positions in the portfolio. Simple, stable positions, such as basis trades, are leveraged much more highly than higher risk trades that have yield curve exposure;
10. fixed income high-yield: Fixed income high-yield managers invest in non-investment grade debt. Objectives may range from current income to acquisition of undervalued instruments. Emphasis is placed on assessing the credit risk of the issuer. Some of the available high-yield instruments include extendible/reset securities, increasing-rate notes, pay-in-kind securities, split coupon securities and usable bonds;
11. fixed income mortgage-backed funds: Fixed income mortgage-backed funds invest in mortgage-backed securities, many funds invest solely in AAA-rated bonds. Instruments include: government agency, government-sponsored enterprise, private label fixed-or adjustable rate collateralised mortgage obligations ("CMOs"), real estate mortgage securities and stripped mortgage investment conduits ("REMICs") and stripped mortgage backed securities ("SMBs"). Funds may look to capitalize on security-specific mispricings. Hedging of prepayment risk and interest rate risk is common. Leverage may be used as well as futures, short sales and options. Arbitrageurs seek to benefit from pricing inefficiencies in the U.S. mortgage-backed securities market, one of the worlds largest fixed income markets. Trades include inter-market arbitrage (for example long MBS, short treasuries) and intra-market arbitrage (for example, buying mortgage pass throughs and selling collateralised mortgage obligations);

12. relative value arbitrage: Relative value arbitrage attempts to take advantage of relative pricing discrepancies between instruments, including equities, debt, options and futures. Managers may use mathematical, fundamental or technical analysis to determine wrong valuations. Securities may be incorrectly priced relative to the underlying security, related securities, groups of securities, or the overall market. Many funds use leverage and seek opportunities globally. Arbitrage strategies include dividend arbitrage, options arbitrage and yield curve trading;
13. market neutral: Market neutral managers seek to reduce market risks by balancing long and short exposures to systematic risks. Mathematical/statistical techniques and models are often used to identify relative value;
14. derivatives arbitrage: This strategy is designed to capture perceived wrong pricing in the derivatives markets. These wrong pricings often arise as a result of temporary market dominance by either hedgers or speculators. For example, in a bear market the prices of puts could be driven too high relative to calls on the same security. The arbitrageur captures these differences with a short put, long call trade and hedges out the markets risk to the synthetic long position thus created with a short position in the underlying stock. The spread risks are monitored and managed using a "value-at-risk" methodology. Leverage varies substantially between managers, depending on the reliability of the long and short pricing relationship and the return and risk objective of the manager;
15. contracts for differences: A contract for difference ("CFD") is an Over The Counter agreement between two parties to exchange, at the close of the contract, the difference between an opening price and the closing price of the contract, with reference to the underlying share, multiplied by the number of shares specified within the contract. CFDs are increasing in popularity because of their low dealing costs;
16. currency arbitrage: This strategy involves arbitraging the price differences that may arise between a basket currency, such as the ECU, and its component currencies;
17. closed-end fund arbitrage: Closed-end fund arbitrage involves capturing the discount to the underlying net asset values at which many closed-end funds trade;
18. equity index arbitrage: Equity index arbitrage involves capturing the pricing differences that may arise between an index and its component stocks; and
19. capital structure arbitrage: This strategy involves identifying and exploiting discrepancies in the prices of securities of the same issuer. A number of managers hedge relatively undervalued high yield bonds with the same issuers underlying equity.

### ***Investment restrictions***

The investment restrictions may differ for each Cell and are set out in the Supplemental Scheme Particulars.

The Administrator in conjunction with the Manager will undertake to monitor the underlying investments to ensure that, in aggregate, restrictions applicable to a cell are not breached. Where any such restrictions are breached, the Manager will ensure that immediate corrective action is taken except where such breach is due to appreciations or depreciations, changes in exchanges rates, or by reason of the receipt of rights, bonuses, benefits in the nature of capital or by reason of any other action affecting every holder of that investment, in which case corrective action will be taken within 6 months of the breach.

## THE MULTI AND SINGLE MANAGER CONCEPTS

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Dependent upon market conditions, strategy and geographical focus of the investments in respect of a particular Cell or a number of Cells, the Manager may appoint investment management firms or investment advisors adopting either a diversified multi manager style or a specific single manager focused style. Whilst it is hoped that multi management diversification will yield above average long-term investment performance through reduced volatility over time, a focused strategy may be preferable in certain market situations and for certain asset types in relation to certain Cells.

Investors should be aware of the risks inherent in investing in the Cells and should have sufficient financial awareness to evaluate such risks, particularly those associated with Cells adopting Alternative Strategies. Persons not able to assess the various advantages and risks associated with an investment in the Cells should not consider such an investment. Potential investors who are in any doubt as to the risks involved in investment in the Cells are recommended to obtain independent financial advice before making an investment.

### ***Recognition of cell company structure***

An incorporated Cell of an ICC is a separate corporate entity with its own legal personality: it is not, by virtue of its incorporation, deemed to be a subsidiary of the ICC. Each Cell has the same board of Directors and registered office as its ICC. The Directors must keep assets and liabilities of the ICC separate and separately identifiable from the assets and liabilities of its incorporated Cells and the assets and liabilities of one Incorporated Cell separate and separately identifiable from those of other Incorporated Cells. The Companies Laws allow the assets of the ICC to be invested or managed collectively, provided they remain separately identifiable.

The ICC Ordinance came into force on 1 May 2006 and was subsequently replaced by the Companies Laws. It is a relatively new law and has not yet been tested in the courts. There can be no assurance that other jurisdictions would apply the same principles as would a Guernsey court.

### ***General risk factors***

The value of Shares (and the income from them) may fall as well as rise and investors may not get back, on redemption or otherwise, the amount originally invested. Accordingly, an investment in any Cell should only be made by persons who are able to bear the risk of loss of capital invested.

No assurance can be given that the Cells will succeed in meeting their respective investment objectives or that the Manager's assessments of the short-term or long-term prospects, volatility and correlation of the types of investments referred to in these Scheme Particulars or the Supplemental Scheme Particulars will prove accurate.

A Cell may invest in assets that are denominated in currencies that are different from its Base Currency. The ability of a Cell to hedge currency risks may be affected by limited forward markets for the hedging of the Base Currency against the currency of investment.

Where applicable, Cells may invest in funds which may trade on a leveraged basis in a highly volatile market. Investment in Alternative Strategies is a speculative, and should be considered only by financially sophisticated investors who are able, independently of any information in these Scheme Particulars and the Supplemental Scheme Particulars, to evaluate the risks and merits of this investment. No assurance can be given that the ICC's or its Cells investment objective of maximising

return on a certain risk level will be achieved.

In the normal course of business of investment vehicles following Alternative Strategies, managers trade various financial instruments and enter into various investment activities with differing risk profiles. With

respect to the investment strategy utilised by a hedge fund manager, there is always some and occasionally a significant degree of market risk.

The markets and certain hedge funds in which Cells may invest primarily may prove to be highly volatile from time to time as a result of, for example, sudden changes in government policies on taxation and currency repatriation or changes in legislation relating to the level of foreign ownership in companies and this may affect the price at which a Cell may liquidate positions.

The value of a Cell's assets may be affected by uncertainties such as international political developments, changes in government policies, taxation, restrictions on foreign investment and currency fluctuations and other developments in the laws and regulations of the countries in which the Cell's assets are invested.

Providers of alternative investment products show varying degrees of opacity in their activities. This lack of transparency is designed to protect the investments of the hedge fund. However, there is a risk that this lack of transparency may mask changes in strategy, along with the nature, extent and development of the related risks.

If there are substantial redemption requests within a limited period of time, it may be difficult for the Manager to provide sufficient funds to meet such redemption's without liquidating positions prematurely at an inappropriate time or on unfavourable terms and thereafter it may be more difficult for the Cells to generate returns since they will be operating on a smaller asset base.

The Cells will take a credit risk on parties with whom they trade and will also bear the risk of settlement default for currency overlay only.

The two primary risks for any fixed interest instruments are the risks that the underlying parties to a portfolio either default on their debt i.e. credit risk, or are not liquid enough to fulfil their obligations in a timely fashion i.e. liquidity risk.

Since the Cells do not presently intend to pay dividends, an investment in the Cells may not be suitable for investors seeking income returns for financial or tax-planning purposes.

Whilst it may be possible for the Manager to hedge some of the risks outlined above, it will not be obliged to do so and, if such hedging is carried out, there can be no assurance that it will be successful and it may negate certain profits which the ICC and/or its Cells may otherwise have earned or even incur a loss. The relevant Cell will bear the cost of all hedging. Furthermore, it may not always be possible to hedge certain risks in many of the less developed markets in which the Cells may invest as exchange-traded futures and options are not available in certain markets.

Investments on international markets may fluctuate in price under the influence of a variety of issues such as currency rates and interest rates, exchange controls, taxes and other economic and political developments. Other factors such as the availability of information on, and the size and liquidity of, international markets may limit the intended diversification of the ICC's and its Cells' resources.

The Cells have no obligation to redeem Shares at the subscription price originally paid and redeeming investors may not receive the amount originally invested.

### ***Interest rate risk***

The price of securities tends to be sensitive to interest rate fluctuations and unexpected fluctuations in interest rates could cause the corresponding prices of a position to move in directions that were not initially anticipated.

### ***Speciality risks of Alternative Strategies***

In contrast to traditional investments, where the focus is on the purchase and sale of securities based on proprietary research (for long positions only), the Alternative Strategies employed by the investment vehicles in which the Cells may invest can also involve short selling (short positions) and the application of leverage by borrowing and the use of derivative financial instruments.

The Cells may contract with managers who utilise derivative financial instruments (e.g. options, futures, forward transactions and swaps) and pursue investment strategies that may entail special risks.

Since the Cell investments are not confined to conventional forms of investment (long equities and bonds only), but also include investments in derivatives (futures, options, swaps, etc.) the Cells may display lower correlation to general capital market trends than traditional equity funds do.

### ***Liquidity risks***

It is important for investors to be aware that many Alternative Strategy instruments do not trade on liquid and or regulated markets. If there are substantial redemption requests within a limited period of time, it may be difficult for the Manager to provide sufficient funds to meet such redemptions without liquidating positions prematurely at an inappropriate time or on unfavourable terms that may also result in sustained adverse price changes of the Cell investments. Therefore, investors either redeeming or retaining their Shares in a Cell may suffer significant losses in periods during which a substantial number of Shares in the same Cell are redeemed

### ***Prime brokers***

Some Cells may use the services of prime brokers for trading and custody of assets. Some prime brokers are not obliged to segregate client assets from proprietary assets and in the event of the insolvent liquidation of such prime brokers, any assets which may not clearly be identified as client assets may be available to the liquidator, leaving the relevant Cell with only an unsecured claim in the insolvency ranking no more than *pari passu* with the claims of other unsecured creditors.

The foregoing factors are not exhaustive and do not purport to be a complete explanation of all the risks and considerations involved in investing in the ICC and its Cells. In particular, a Cell's performance may be affected by changes in market or economic conditions, and legal, regulatory and tax requirements. The relevant Cell will be responsible for paying the fees, charges and expenses referred to in these Scheme Particulars regardless of the level of profitability.

Potential investors who are in any doubt as to the risks involved in investment in the ICC's Cells are recommended to obtain independent financial advice before making an investment. Investment in any Cell should be made only after consulting with independent, qualified sources of investment and tax

advice. Each investment in a Cell is speculative involves a higher degree of risk and may result in the loss of the entire investment. Such investment is only for sophisticated investors who understand the risks involved and who have no need for liquidity of investment.

## **SUBSCRIPTION, REDEMPTION AND CONVERSION OF SHARES**

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### ***Subscriptions***

Shares of each Cell will be available for subscription by Eligible Investors on each Investment Dealing Day at a price (the "Subscription Price") calculated as follows:

The Manager will determine the Net Asset Value of each Cell at the Valuation Point on the Valuation Day for the Investment Dealing Day concerned and divide the resulting amount by the number of Shares of that Cell in issue or deemed to be in issue. The value per Share thus produced is truncated to the nearest four decimal places to arrive at the Subscription Price. The benefit of any truncation will be retained by the Cell. The quoted Subscription Price of the Shares will be exclusive of any initial charge, details of which are set out below. Further, under the terms of the Cell Articles, the Manager is permitted, when calculating the Subscription Price, to add an allowance for the duties and charges which would be incurred on the assumption that the investments held for the relevant Cell had been acquired on the relevant Valuation Day. Fractions of Shares will be allotted if excess subscriptions are received.

The Subscription Procedure for each Cell is subject to the specific terms and conditions in the relevant Supplemental Scheme Particulars.

### **Application procedure**

Details of the terms on which the offer of Shares of any Cell are made including the Subscription Price can be found in the relevant Supplemental Scheme Particulars.

The Directors or the Administrator must receive an application by fax, electronic mail (in a form acceptable to the Directors) or by post prior to the relevant Investment Dealing Day. The application procedure for each Cell is subject to the specific terms and conditions of the relevant Supplemental Scheme Particulars relating to each cell.

The Manager will not process any such application unless and until it is in receipt of a duly completed, original application form.

Applications must include the following information:

- 1) the Cell in which the investment is to be made;
- 2) the amount to be invested, being not less than the minimum amount specified in the relevant Supplemental Scheme Particulars;
- 3) the exact name(s) in which the Shares are to be registered and the name and address to which any correspondence should be sent;
- 4) confirmation that the application has been made in compliance with the Articles, the Cell Articles and the terms and conditions of these Particulars and the relevant Supplemental Scheme Particulars; and
- 5) verification of the identity of investors and the source of subscription monies in compliance with anti-money laundering legislation.

Cleared funds must be received by the Directors or the Administrator by the relevant Investment Dealing Day. The Directors may in their absolute discretion determine to accept funds received after this time.

Details of how payments may be made can be found in the relevant Supplemental Scheme Particulars.

All cheques and banker's drafts will be presented for payment on receipt. The Directors reserve the right to retain application forms and any surplus application monies pending clearance of applicants' cheques. The right is reserved to reject an application or to accept any application in part only or to treat as valid any applications which do not fully comply with the terms and conditions of application. If any application is not accepted, the amount paid on application will be returned, without interest, by post to the first address given in the application at the applicant's risk. The Directors will require verification of the identity of applicants and the source of funds and will defer any application pending receipt of satisfactory evidence. If an application is cancelled, any funds received by the Administrator shall be returned without interest, less any charges to the remitting bank, to the account of the remitter quoting the applicant's name. Funds remitted by bank draft will be returned by post at the applicant's risk by bank draft to the paying bank without interest, less any charges for the account of the drawer, quoting the applicant's name.

Initial charge & initial commission

The Cell Articles permit the Directors to add an initial charge to the Subscription Price and/or deduct an initial charge from the redemption monies. The initial charge (if any) payable in respect of investments in each Cell shall be as detailed in the relevant Supplemental Scheme Particulars. The initial charge may be payable to the Manager and the Manager may pass on all or part of the initial charge by way of an initial commission to intermediaries. The Cell Articles further permit the Directors to differentiate between applicants as to the amount of the initial charge to be paid to the Manager and as to the amount to be levied in respect of each Cell, up to a maximum of 5.25% of the NAV of the Cell.

### **Minimum subscription**

Details of the minimum subscription and the minimum additional amount which may be subscribed at any time applicable to each Cell are set out in the relevant Supplemental Scheme Particulars. The Directors may vary these amounts but not so as to reduce them below the amounts specified in the relevant Supplemental Scheme Particulars or to require Shareholders to increase their holdings in a particular Cell.

### **Contract notes and certificates**

A contract note will be sent by post to the applicant on acceptance of the application, providing details of the transaction, usually within seven Business Days after the relevant Investment Dealing Day.

Unless specified to the contrary in the relevant Supplemental Scheme Particulars, all Shares will be issued in uncertificated form and the Register will be conclusive evidence of ownership. The register of Shareholders may be inspected at the office of the Administrator, the address of which is stated in the Directory on page 12, during usual office hours. Any change to a Shareholder's personal details must be notified immediately to the ICC in writing.

## **Redemption**

Subject to any Redemption Notice Period specified in the relevant Supplemental Scheme Particulars, Participating Shares may normally be redeemed at the ruling price on any Redemption Dealing Day for the relevant Cell. Notice of redemption of Participating Shares may be given by facsimile or in writing to the Manager and must specify the relevant Cell, the number or value of Participating Shares to be redeemed and should quote the relevant Shareholder number. The Manager will be deemed to be authorised to make such redemption if instructed to do so by any person purporting to be the Shareholder and reciting the relevant Shareholder number.

Redemption of part of a holding of Participating Shares of any Cell may be refused if, as a result of such redemption, a Shareholder would then hold Participating Shares in the Cell concerned with a value of less than US\$15,000 or its equivalent in the Base Currency of the relevant Cell.

Redemption will take place on the applicable Redemption Dealing Day provided that all the above requirements have been satisfied. If instructions are given or the notice is received by the Manager later than the notice period, specified in the relevant Supplemental Scheme Particulars, the redemption will normally take place on the next following Redemption Dealing Day for the Cell.

Provided that the redemption request is in order, payment of the redemption proceeds will be made as soon as practical after the relevant Redemption Dealing Day and normally within 7 business days, or other period as specified in the Supplemental Scheme Particulars, of the relevant Redemption Dealing Day. Payment will be made in the base currency of the respective Cell in accordance with the instructions given by the redeeming Shareholder to the Administrator and at the Shareholders risk and cost.

In addition, it should be noted that payments will only be made to the Shareholder named on the register, and not to any third party whatsoever.

## **Redemption Price**

Shares will be redeemed Redemption Price which is determined by reference to the Net Asset Value per Share calculated as at the Valuation Day for the relevant Redemption Dealing Day for the Cell, as defined in the relevant Supplemental Scheme Particulars. The Redemption Price for any Share is arrived at by dividing the Net Asset Value of the relevant Cell by the number of Shares of that Cell in issue or deemed to be in issue, and truncating the resulting amount to the nearest four decimal places. The benefit of any truncation will be retained by the Cell. Under the Cell Articles, the Directors may, at their discretion, deduct a charge of up to 5.25% in calculating the Redemption Price.

Further, under the terms of the Cell Articles, the Manager is permitted, when calculating the Redemption Price, to deduct an allowance for duties and charges that would be incurred if the investments held for the relevant Cell were to be sold on the relevant Valuation Day.

## **Compulsory redemption**

The Directors of the ICC have power under the Cell Articles in their absolute discretion compulsorily to redeem at any time the Shares of any investor (i) which, as a result of a redemption or conversion of any part of the investor's holding, have a value of less than USD5,000 or the equivalent thereof in the Base Currency of the Cell concerned or (ii) who holds Shares directly or beneficially in breach of any law or requirement of any country governmental or regulatory authority or (iii) whose existence as a Shareholder in the ICC or a Cell causes or threatens to cause the ICC or any Cell to incur any liability to

taxation or to suffer any pecuniary or other disadvantage in any jurisdiction which it would otherwise not have expected to incur or suffer or (iv) whose existence as a Shareholder may cause the ICC or a Cell to be classified as an "investment company" under the 1940 Act.

If, following the first anniversary of the creation of a Cell, the Net Asset Value of that Cell is less than USD0.5 million (or the equivalent thereof) on each Redemption Dealing Day falling within a period of 12 consecutive weeks the Directors may compulsorily redeem all the shares of that Cell in existence on 90 days' clear notice.

### ***Calculation of Net Asset Value***

The Net Asset Value of each Cell will be calculated by the Administrator on each Valuation Day. Under the Cell Articles the Net Asset Value of a Cell is determined by deducting the value of the total liabilities of the Cell from the value of the total assets of the Cell. Total assets include all cash, accounts receivable, accrued interest and the current market values of all investments. Total liabilities include any fees payable to the Manager, Custodian, Administrator, and any Prime Broker, all borrowings, provision for taxes (if any), allowances for contingent liabilities and any other costs and expenses reasonably and properly incurred by the ICC or a Cell in effecting the acquisition or disposal of securities. Further information on the valuation of assets is provided in the "Additional Information" section below.

### ***Publication of Net Asset Value and prices***

The Net Asset Value per Share of each Cell will be available on request from the Administrator and shall be published in such publications as may be detailed in the relevant Supplemental Scheme Particulars.

### ***Conversion Procedure***

Subject to the relevant Cells having sufficient share capital available for issue, Shareholders will be entitled to exchange Shares of one class in a Cell (the "original Class") for Shares of another class in the same Cell then in existence or agreed to be brought into existence (the "new Class"), subject to the terms and conditions in the relevant Supplemental Scheme Particulars.

Instructions for the conversion of Shares may be given by facsimile or in writing to the Manager at its address stated in the Directory and such instructions must specify the number or value and the class of Shares to be converted, the class of Shares into which they are to be converted and should quote the relevant Shareholder number. The Manager will be deemed to be authorised to make such conversion if instructed to do so by any person purporting to be the Shareholder and reciting the relevant Shareholder number. The Conversion Notice Period for each Cell is specified in the relevant Supplemental Scheme Particulars. Any conversion request received after 12 noon (or such other time as the Directors may determine either generally or in relation to a Cell or in any specific case) on any Business Day may be deemed to have been received on the next following Business Day. At the option of the Manager, conversions may be processed as redemption on one Investment Dealing Day funding a subsequent investment on a following Investment Dealing Day only once the redemption proceeds have been made available to fund the subscription.

The conversion will be effected in accordance (or nearly as may be in accordance) with the following formula:

$$NS = \{OS \times (RP \times CF)\} \div SP$$

where:

- NS* is the number of Shares of the new Class to be allotted;
- OS* is the aggregate number of Shares of the original Class to be converted comprised in the conversion notice;
- RP* is the Redemption Price per share of the original Class ruling on the relevant Redemption Dealing Day;
- CF* is the currency conversion factor determined by the Manager on the relevant Redemption Dealing Day as representing the effective rate of exchange applicable between the Base Currencies of the original Class and the new Class Cells; and
- SP* is the Subscription Price per share for the new Class ruling on the relevant Investment Dealing Day plus any initial charge payable thereon.

Contract notes confirming the conversion between the Cells will be issued.

Shares in one Cell (the "new Cell") may be issued in exchange for Shares in another Cell (the "original Cell") by agreement between the two Cells, such agreement to replicate as far as possible the arrangements above for switching between different classes of Share in one Cell.

### **Conversion charges**

A conversion charge of up to £50 maybe levied and Shareholders will bear any costs incurred in translating the redemption proceeds of the holding of the original Class or original Cell (as the case may be) into the appropriate currency for the payment of the Subscription Price for the holding of the new Class or new Cell, where the original and new Classes or Cells have different Base Currencies.

### ***Deferral of conversions and redemptions***

The Directors may limit the total number of Shares in a Cell, which may be redeemed or converted on any Redemption Dealing Day to 10 per cent (or such other percentage as the Directors may determine and as defined in the relevant Supplemental Scheme Particulars) of the total number of Shares in issue in that Cell. The limitation will be applied pro rata to all Shareholders who have requested redemptions or conversions to be effected on or as at such Redemption Dealing Day so that the proportion of each holding redeemed or converted is the same for all such Shareholders. Any Shares which, by virtue of this limitation, are not realised or converted on any particular Redemption Dealing Day shall be carried forward for redemption or conversion on the next following Redemption Dealing Day at the Redemption Price ruling on that next Redemption Dealing Day. In respect of any Redemption Dealing Day to which redemption or conversion requests ("Deferred Requests") are deferred, such requests will be dealt with in priority to other requests for redemption or conversion of Shares on that day ("Other Requests") until the Deferred Requests have been satisfied in full. The deferral powers described in this paragraph shall apply mutatis mutandis to any Other Requests which,

as a result of the above limit, have not been satisfied in full on any Redemption Dealing Day.

***Suspension of calculation of Net Asset Value and dealing***

The Manager, with the prior agreement of the Custodian may declare a suspension of the calculation of the Net Asset Value and the issue, redemption and conversion of Shares during:

- 1) any period when any Recognised Investment Exchange on which any material part of the investments comprised in the Cell concerned for the time being are listed or dealt in is closed (otherwise than for ordinary holidays) or during which dealings are restricted or suspended, or in the case of investment in a unit trust, mutual fund or open-ended investment company, when the issue or redemption of units or shares is suspended or postponed;
- 2) the existence of any state of affairs which, in the opinion of the Manager, constitutes an emergency as a result of which disposal of investments comprised in the Cell would not be reasonably practicable or might seriously prejudice the interests of the Shareholders as a whole;
- 3) any breakdown in the means of communication normally employed in determining the price of any of the investments comprised in the Cell or the current price on any Recognised Investment Exchange or when for any reason the prices of any investments cannot be promptly and accurately ascertained;
- 4) any period when currency conversions which will or may be involved in the realisation of the investments comprised in the Cell or in the payment for investments cannot, in the opinion of the Manager, be carried out at normal rates of exchange; or
- 5) when a decision is taken to liquidate the ICC or a Cell.

Following a suspension, the calculation of the Subscription and Redemption Prices will commence at the Valuation Day next after the last day of the suspension period. The fees of any Investment Advisor, the Administrator, the Custodian and the Manager will continue to accrue during the period of suspension and will be calculated by reference to the last valuation prior to the suspension coming into effect.

***Eligible Investors and "US Persons"***

Each investor must represent and warrant to the Directors that, *inter alia*, he is able to acquire and hold Shares without violating applicable laws.

The Manager will not knowingly offer or sell Shares to any investor to whom such offer or sale would be unlawful, might result in any Cell or the ICC incurring any liability to taxation or suffering any other pecuniary disadvantage which any Cell or the ICC might not otherwise incur or suffer or would result in the ICC or any Cell being required to register under the 1940 Act. Shares may not be held by any person in breach of the law or requirements of any country, governmental or regulatory authority including, without limitation, exchange control regulations.

It is contemplated that the Manager may decide to accept applications for Shares from a limited number of "accredited investors" (as defined in the 1933 Act) in the United States provided that the Manager receives evidence satisfactory to it that the sale of Shares to such an investor is exempt from registration under the securities laws of the United States including, but not limited to, the 1933 Act and, in all events that there will be no adverse tax consequences to the ICC, any Cell or its

Shareholders as a result of such a sale.

Neither the ICC nor any Cell will be registered under the 1940 Act. Based on interpretations of the 1940 Act by the staff of the United States Securities and Exchange Commission relating to foreign investment entities, if the ICC has more than 100 beneficial owners of its Shares who are US Persons, it may become subject to the 1940 Act. The Manager will not knowingly permit the number of Shareholders in any Cell who are US Persons to exceed 50.

### **Meaning of "US Person"**

For the purpose of these Particulars, but subject to such applicable law and to such changes as may be notified by the Manager or the Administrator to applicants for Shares and transferees, a US Person shall have the same meaning as in Regulation S, as amended from time to time, of the 1933 Act. Regulation S currently defines a "US Person" as: (a) any natural person who is a resident of the United States; (b) any partnership or corporation organised or incorporated under the laws of the United States; (c) any estate of which any executor or administrator is a US Person as defined in subparagraphs (a) and (b) herein; (d) any trust of which any trustee is a US Person as defined in subparagraphs (a) and (b) herein; (e) any agency or branch of a foreign entity located in the United States; (f) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or similar fiduciary for the benefit or account of a US Person; (g) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated or, if an individual, resident in the United States; or (h) any partnership or corporation (i) if organised or incorporated under the laws of any foreign jurisdiction and (ii) formed by a US Person principally for the purpose of investing in securities not registered under the 1933 Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in Rule 501(a) under the 1933 Act) who are not natural persons, estates or trusts. "US Person" does not include: (a) a discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-US Person by a dealer or other professional fiduciary organised, incorporated or, if an individual, resident in the United States; (b) any estate of which any professional fiduciary acting as executor or administrator is a US Person if (i) an executor or administrator of the estate who is not a US Person has sole or shared investment discretion with respect to the assets of the estate and (ii) the estate is governed by foreign law; (c) any trust of which any professional fiduciary acting as trustee is a US Person if a trustee who is not a US Person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a US Person; (d) an employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country; or (e) any agency or branch of a US Person located outside the United States if (i) the agency or branch operates for valid business reasons and (ii) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located.

### ***Transfers of Shares***

The Shares are freely transferable although the Directors have a discretion to refuse to register a transfer of Shares in certain circumstances under the provisions of the Cell Articles.

Every transfer form submitted for registration must be accompanied by an application form completed by the transferee, together with verification of the transferee in compliance with current anti-money laundering legislation and the Directors reserve the right to refuse to register a transfer until such instructions and verification have been lodged.

## MANAGEMENT AND ORGANISATION

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### ***Directors of the ICC***

The Directors all of whom are non-executive directors are as follows:

#### **Mr David Cosgrove**

Mr Cosgrove acts as consultant to a number of investment managers world-wide. He specialises in assisting investment companies develop and manage their respective businesses. He is a director of three collective investment management companies. He also runs his own private equity fund which invests into international financial services companies. He is a director of five Guernsey and four Mauritian Protected Cell Companies.

#### **Mr Daryn Hutchinson**

Daryn is the Managing Director of ATC Trustees (Guernsey) Limited and Global Head of Private Clients for ATC Group. Prior to 2002 Daryn was Managing Director of Old Mutual International in Guernsey which included a fund management company, a life assurance company and a trust company. He worked for Old Mutual (a FTSE 100 Listed Company) for a total of fifteen years, in South Africa, the UK and Guernsey. Daryn also holds a number of other directorships and in investment related business he is a director of Private Equity Administrators Limited in Guernsey, a business specialising in private equity fund administration and Longview Partners (Guernsey) Limited, an asset management business.

Daryn read commerce and law at the University of Natal in Durban, South Africa and was admitted as an Advocate of the Supreme Court of South Africa in 1983. After qualifying, he practiced criminal law for five years.

#### **Mr Paul Everitt**

Mr Everitt was born in 1968, is English and lives in Guernsey. He is currently Managing Director of Fund Corporation, the Fund's Administrator, of which he was a founding member in 2007. Mr Everitt has specialised in fund administration since moving to Guernsey in 1998 and has extensive experience of the industry, having worked previously for Northern Trust, Barclays Wealth and Mourant. He originally qualified as a chartered accountant in London with BDO and now holds a number of directorships of funds and investment companies.

A full list of the directorships held by each of the above directors of the ICC is available upon request from the Administrator at its registered offices.

It is a requirement of the Companies Law and the Articles that the Directors of each Cell be the same persons as the Directors of the ICC. The Directors of the ICC were appointed by the sole beneficial owner of the ICC (being the Manager). Other or additional directors may be elected by the Directors.

The Directors have overall responsibility for investment policy, the management or supervision of each Cell's portfolio and its liquid assets, the supervision and determination of the Net Asset Value and the Subscription and Redemption Prices of Shares and for keeping proper books and records within the limitations detailed in these Particulars.

The Directors of the ICC may be removed by an Ordinary Resolution of ICC shareholders (passed by a majority of those present or represented and voting at the relevant meeting). Other or additional directors may be elected by the ICC shareholders or the Directors. Any additional directors appointed by the Directors will be subject to re-election by the ICC shareholders.

The Directors will meet regularly to review the investment policy and performance of each Cell and the administrative affairs of the ICC. Under the Articles and Cell Articles, neither the ICC nor any Cell will hold the Directors liable for any acts or omissions in the performance of its or their duties to the extent that due care and diligence has been exercised, and will indemnify the Directors, to the extent permitted by law, against liabilities arising in connection with the proper performance of their duties.

No Director has:

- 1) any unspent convictions in relation to indictable offences; or
- 2) been bankrupt or the subject of a voluntary arrangement or has had a receiver appointed to any asset of such Director; or
- 3) been a director of any company which, while he was a director with an executive function or within 12 months after he ceased to be a director with an executive function, had a receiver appointed or went into compulsory liquidation, creditors voluntary liquidation, administration or company voluntary arrangements, or made any composition or arrangements with its creditors generally or with any class of its creditors; or
- 4) been a partner of any partnership which, while he was a partner or within 12 months after he ceased to be a partner, went into compulsory liquidation, administration or partnership voluntary arrangement or had a receiver appointed to any partnership asset;
- 5) had any public criticism by statutory or regulatory authorities (including recognised professional bodies); or
- 6) been disqualified by a court from acting as a director or from acting in the management or conduct of affairs of any company.

### ***The Manager***

Subject to the overall control of the Directors, the ICC and its Cells are managed by the Manager.

Lancelot Management Limited has been appointed as the Manager of the ICC and the Cells.

The Manager is a company incorporated in Guernsey on 2<sup>nd</sup> June 2008 and has an issued share capital of US\$80,000 of which US\$80,000 has been paid up by way of share capital and premium. The directors of the Manager are David Cosgrove, Donna Francis and Daryn Hutchison. A brief biography of Daryn Hutchinson and David Cosgrove is set out above. Daryn Hutchison and Donna Francis are directors of ATC Trustees (Guernsey) Limited, which administers the Manager.

The Manager's registered office is at Sarnia House, Le Truchot, St Peter Port, Guernsey.

The Manager is licensed by the GFSC under the Protection of Investors (Bailiwick of Guernsey) Law 1987 to 1998, as amended, to perform restricted activities in connection with controlled investment business.

Under the terms of a management agreement dated 24 October 2007 (as novated to the current Manager on 1<sup>st</sup> December 2008 to take effect from 1<sup>st</sup> January 2009) between the Manager, the ICC and the Cells (the "Management Agreement") the Manager is responsible for the management of the ICC and its Cells. The Manager has power to delegate its responsibilities, in whole or in part, subject to supervising its delegates or agents. Specifically the Manager may delegate the investment management of individual Cells to an Investment Adviser specific to each Cell (details of which are provided in the Supplemental Scheme Particulars).

The Manager will be responsible for the investment management of all Cells in which an Investment Adviser has not been appointed. The Manager may at its discretion from time to time appoint distributors to market and distribute Shares or introduce business to the Cells. Any fee payable to such third party shall be borne by the Manager out of its Management Fee.

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

The appointment of the Manager can be terminated by the Directors with not less than 6 months' written notice or earlier if agreed by the Manager and Directors.

The Manager is entitled to deal in Shares in a Cell without accounting to the Cell, the ICC or their respective shareholders for any profits.

The Management Agreement provides that the Manager shall not be liable to the ICC, its Cells for any error of judgement or for any loss suffered by the ICC or its Cells in connection with its services in the absence of gross negligence, wilful default or fraud in the performance or non-performance of its obligations or duties. The Management Agreement contains provisions for the indemnification of the Manager by the ICC and the relevant Cell against liabilities to third parties arising in connection with the performance of its services, except under certain circumstances. The Management Agreement also contains provisions for the indemnification of the ICC and the relevant Cell by the Manager in certain circumstances.

The Directors shall be entitled to remove the Manager forthwith if the Manager goes into liquidation, if for good and sufficient reason the Custodian or the Directors are of the opinion that a change of manager is desirable in the interests of shareholders or if an Extraordinary Resolution is passed removing the Manager or if the holders of three quarters of all the Shares in issue request the removal of the Manager or if the Manager ceases to be licensed under the POI Law.

### ***The Investment Advisors***

Under separate agreements between the Manager and each of the Investment Advisors identified in the Cell Particulars (the "Investment Advisory Agreements"), the Manager has delegated to the relevant Investment Adviser its investment advisory function in connection with the relevant Cell(s) as set out herein. Under each Investment Advisory Agreement for the Cells, the Investment Advisor will manage the investments of the relevant Cell(s) and may be remunerated by the Manager from the fees of the Manager in accordance with the Investment Advisory Agreements or as more particularly specified in the relevant Supplemental Scheme Particulars.

The Investment Advisors shall have discretion as to the daily investment management activities undertaken on behalf of the relevant Cell but the Manager shall have absolute discretion to refuse to accept any investment advice, recommendation or course of action of the relevant Investment Advisor.

The appointment of any Investment Advisor can be terminated by the Manager or the relevant

Investment Adviser upon not less than 3 months' written notice or earlier upon a material breach of the provisions of the Investment Advisory Agreement for the Cells, upon the insolvency of either party or the Manager loses its licence under the POI Law.

The Investment Advisory Agreement for the Cells provides that the Investment Adviser shall not be liable to the ICC, the relevant Cell, the shareholders or the Manager for any loss suffered by the relevant Cell, the Manager or the shareholders in connection with its services in the absence of gross negligence, wilful default or fraud in the performance or non-performance of its duties. The Investment Advisory

Agreement for the Cells contains provisions for the indemnification of the Investment Adviser by the Manager out of the relevant Cell against liabilities arising in connection with the performance of its duties.

### ***The Administrator***

Fund Corporation of the Channel Islands Limited has been appointed by the Manager as Administrator of the Fund.

The Administrator is a company incorporated in Guernsey on 16 February 2007 and has an issued share capital and share premium of £200,000.

The Administrator's registered office is at Roseneath, The Grange, St Peter Port, Guernsey.

The Administrator is licensed by the GFSC under the provisions of the POI Law to conduct certain restricted investment activities in relation to Collective Investment Schemes.

Under the terms of an administration and secretarial agreement dated 24 September 2010 between the Manager, the Administrator and the Fund (the "Administration Agreement"), the Administrator is responsible inter alia for processing subscriptions for, conversions and redemptions of Participating Shares, preparing valuations of each Cell, calculating Subscription and Redemption Prices and maintaining the accounts and records of the Fund and Cells and has also been appointed to act as Secretary to the Fund.

The appointment of the Administrator can be terminated by the Directors or the Administrator upon not less than 6 months' written notice or immediately upon:

- 1) one party giving notice of termination in the event of the property of the other party being declared "en etat de désastre" or that party becoming insolvent or going into liquidation (other than voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the parties to the Administration Agreement) or a receiver or administrator being appointed or if some event having equivalent effect occurs; or
- 2) upon one party giving notice of termination in the event of the other party committing a material breach of the Administration Agreement and (if such a breach is capable of remedy) not making good such breach within 30 calendar days of service upon it of notice requiring the breach to be remedied; or
- 3) upon one party giving notice of termination in the event that the other party ceases to hold any requisite licence, consent, authorisation or other approval under any applicable law.

The Administration Agreement provides that the Administrator shall not be liable to the Fund, any Cell, the Shareholders or the Manager for any error of judgement or for any loss suffered by the Fund, any Cell, the Manager or the Shareholders in connection with its services in the absence of negligence, wilful default or fraud in the performance or non-performance of its obligations or duties. The Administration Agreement contains provisions for the indemnification of the Administrator by the Fund against liabilities to third parties arising in connection with the performance of its services, except under certain circumstances.

### ***The Custodian***

By an agreement dated 24 September 2010 (the "Custodian Agreement"), the Company has appointed Deutsche Bank International Limited, Guernsey Branch of Lefebvre Court, Lefebvre Street, St Peter Port, Guernsey, GY1 3WT to act as the Custodian of the assets of each Cell.

The Custodian was established in Guernsey on 1 July 1989, having its office at Lefebvre Court, Lefebvre Street, St Peter Port, Guernsey. The Custodian is a branch of Deutsche Bank International Limited, a private limited liability company incorporated in Jersey on 6 October, 1972 with issued and paid up share capital of £16,707,265 (including share premium) as at 31 December 2009.

The Custodian provides a full range of banking and custodial services. It is licensed by the Guernsey Financial Services Commission under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 to act inter alia as custodian or trustee of Guernsey based collective investments schemes. It is also licensed under the provisions of The Banking Supervision (Bailiwick of Guernsey) Law, 1994 as a deposit taking institution.

Deutsche Bank International Limited is a wholly owned subsidiary of Deutsche Bank AG which is incorporated in Germany. The Deutsche Bank Group has over 1,900 offices in 72 countries/territories world-wide operating global investment and private banking services, with total assets in excess of €1,500bn as at 31 December 2009.

The Custodian may also provide banking and related services to the Company on normal commercial terms and will be entitled to retain all benefits arising therefrom.

Should the Custodian wish to retire voluntarily, then the Directors must use their best endeavours to find a suitably qualified replacement to act as custodian. Should the Directors be unable to find such a replacement within 6 months of the retiring Custodian serving notice of its wish to retire, then the Custodian may nominate a suitable replacement. As long as there are any issued and outstanding Participating Shares, the Custodian shall not be entitled to retire without the appointment of a new custodian in its place.

Subject to the above, the Custodian shall be entitled to resign its appointment:

- 1) by giving not less than 90 days' notice in writing to the Fund;
- 2) if the Fund shall commit any material breach of its obligations under the Custodian Agreement and shall fail within 30 days of receipt of notice serve by the Custodian requiring it to do so, make good such breach; or
- 3) at any time, without such notice by giving notice in writing to the Fund if the Fund shall go into liquidation (except voluntary liquidation for the purposes of reconstruction or amalgamation upon terms previously approved in writing by the Custodian and the Manager) or be declared "en désastre" or if a receiver of any of the assets of the Fund is appointed.

The Fund may terminate the appointment of the Custodian:

- 1) by giving not less than 90 days' notice in writing to the Fund; or
- 2) if the Fund shall commit any material breach of its obligations under the Custodian Agreement and shall fail within 30 days of receipt of notice serve by the Custodian requiring it to do so, make good such breach; or
- 3) at any time without such notice by giving notice in writing if the Custodian:
  - a) goes into liquidation (except voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Company) or be unable to pay its debts or be declared insolvent or "en désastre"; or
  - b) if a receiver is appointed to the undertaking of the Custodian or any part thereof; or
  - c) ceases to be a resident in the Island of Guernsey for fiscal purposes; or
  - d) ceases to be qualified to act pursuant to the Articles and the Rules.

Under the terms of the Custodian Agreement, the Custodian is not liable for any acts or omissions in the performance of its services in the absence of fraud, gross negligence or wilful default and subject thereto the Custodian is entitled to be indemnified to the extent permitted by law, against all actions, proceedings, claims and demands arising in connection with the performance of its services.

Under the terms of the Custodian Agreement, the Custodian shall, subject to the Articles and the Rules, be entitled to sub-contract or to delegate its functions, powers and obligations under the Custodian Agreement and at its discretion may and shall if requested by the Directors appoint one or more sub-custodians, agents or nominees in respect of the custody of all or any of the assets of the Fund or any ancillary services. The Custodian may also, subject to the Articles and the Rules use processing centres outside Guernsey for the purpose of performing its obligations under the Custodian Agreement.

Some Cells may use the services of prime brokers for the trading and custody of assets and in such circumstances the details of the Company's relationship with the prime broker(s) will be set out in the relevant Cell Particulars. In such circumstances, the Custodian is responsible for those assets of the relevant Cell not held by the appointed prime broker, with the appointed prime broker being responsible for the other assets of that Cell. Such assets other than those held by the appointed prime broker will be held by the Custodian in separate client accounts and will be separately designated in the books of the Custodian. Assets held by an appointed prime broker need not be segregated and may become available to creditors of the brokers in the event of a broker's insolvency.

### ***The Registrar***

Pursuant to the Administration Agreement and as consented to by the Custodian, the Administrator has been appointed to keep the register of holders of Shares in respect of each Cell and to make the Register available for inspection at the address of the Administrator.

### ***The Auditors***

Saffery Champness have been appointed as independent auditors to the ICC and each Cell, unless otherwise stated in the Supplemental Scheme Particulars for a specific Cell.

## **FEES AND EXPENSES**

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### ***Establishment costs***

All the costs and expenses associated with the organisation and the initial offering of Shares of each Cell including the costs incurred in connection with the preparation of these Particulars, the listing of the Shares (if any), registration fees, document duty and professional fees and expenses are borne by each Cell and amortised as detailed in the Cell Particulars. These are not expected to amount to more than US\$20,000 per cell.

Each additional Cell created shall bear the costs of its creation and additionally each Cell shall bear *pro rata* to their respective Net Asset Values during the remaining period(s) of the first three accounting periods of the ICC all costs associated exclusively with the establishment of the ICC.

### ***Fees of the Manager***

The ICC and the Cells have agreed with the Manager that the Manager shall be entitled to fees from each Cell for its services under the Management Agreement.

Details of the management fee applicable to each Cell can be found in the relevant Supplemental Scheme Particulars.

The Manager is entitled to pay a trail fee out of the management fee it receives to any intermediary.

The Manager or any Investment Advisor may, from time to time, at their sole discretion, decide to rebate to some or all investors (or their agents, including the Directors) or to intermediaries part or all of any management fee and/or any performance fee.

Except where stated in the relevant Supplemental Scheme Particulars the fees of any Investment Advisor are paid by the Manager.

### ***Administration fees***

The fees payable by each Cell to the Administrator are detailed in the relevant Supplemental Scheme Particulars.

### ***Auditors' fees***

The fees of the Auditors payable by the ICC shall be paid by each Cell *pro rata* to their respective Net Asset Values. The level of those fees will be approved by the Directors each year.

### ***Custodian fees***

The fees payable by each Cell to the Custodian are detailed in the relevant Supplemental Scheme Particulars.

### ***Directors' fees***

The Directors shall be entitled to such remuneration as may be voted to them by the ICC in general meeting. Such remuneration shall be deemed to accrue from day to day and shall be allocated amongst the Directors as they see fit. The Directors and any alternate Directors may also be paid all

travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the ICC or its Cells or in connection with the business of the ICC or its Cells.

The Directors may in addition to such remuneration, grant special remuneration to any Director who, being called upon, shall perform any special or extra services to or at the request of the ICC or its Cells.

Initially the Directors fees will be set at GBP 10,000 per annum each.

### ***Other operating expenses***

The Cells shall bear the following expenses and where such expenses are not attributable to any particular Cell, they shall be apportioned between the Cells to which they are attributable *pro rata* to their respective Net Asset Values:

- any stamp and other duties, taxes, governmental charges, commissions, brokerage, transfer fees, registration fees and other charges payable in respect of the acquisition, holding or realisation of any investment and any foreign exchange transactions carried out in connection therewith;
- interest on borrowings undertaken by the ICC in relation to any Cell and charges incurred in negotiating, effecting, varying or terminating the terms of such borrowings;
- any costs incurred in modifying the Articles or Cell Articles;
- any costs incurred in respect of meetings of shareholders;
- the fees and expenses of the Auditors relating to the ICC and the Cells;
- the fees of the GFSC, the Guernsey Income Tax Authority and of any regulatory authority in a country or territory outside Guernsey in which Shares are or may be marketed;
- the costs incurred in printing, publishing, despatching and revising the Particulars and Cell Particulars and printing and publishing annual and interim reports and any reports which accompany the same;
- the fees and expenses of the Directors as agreed between the ICC and the Directors from time to time including the cost of purchasing and maintaining insurance for or for the benefit of any persons who are or were at any time Directors, officers or employees of the ICC (including professional indemnity insurance).
- the fees and expenses of accountants, lawyers and other professional advisers of the ICC and the Cells other than the fees and expenses of any advisers appointed to advise the Manager on the selection and management of the Cells' investments;
- expenses incurred in the preparation, printing and despatching of tax vouchers, warrants, proxy cards and contract notes;
- the expenses of publishing details and prices of Shares in newspapers and other media;
- all fees and expenses incurred in relation to the incorporation and initial organisation of the ICC

and the Cells, the initial listing and continued listing of Shares of any Cell on any stock exchange (if any), the initial issue of the Shares of any Cell and the advertising and promotion generally of the Shares of any Cell;

- the cost of minute books and other documentation required by the Companies Law, the Articles or the Cell Articles to be maintained by the ICC and/or the Cells; and
- any other costs and expenses properly incurred by the ICC and the Cells in the course of their respective businesses.

***Client Money Account Interest***

The Manager is required to operate a client money account in respect of funds received from subscribers or held for the account of redeeming investors. Any interest accruing in respect of such account is for the benefit of the Manager.

## CONFLICTS OF INTEREST

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The Manager may from time to time act as investment adviser or manager to other funds. It is therefore possible that the Manager may, in the course of its business, have potential conflicts of interest with the ICC or a Cell. The Manager will, however, have regard in such event to its obligations under the Management Agreement and, in particular, to its obligations to act in the best interests of the ICC and each Cell so far as practicable, having regard to its obligations to other clients when undertaking any investment where potential conflicts of interest may arise.

The Directors of the Manager are Messrs. David Cosgrove, Daryn Hutchison and Ms Donna Francis. David Cosgrove and Daryn Hutchinson are also directors of the ICC. Donna Francis and Daryn Hutchison are directors of ATC Trustees (Guernsey) Limited, a trust company which administers the Manager. Paul Everitt is a director of the ICC and the Managing Director of the Administrator.

Certain Cells may have investment advisors that have connections to the Manager and/or the Fund. Mr Cosgrove is a director of Stonewood FX Management SARM, a company with which certain Cells may transact foreign exchange activities.

A full list of the directorships and beneficial interests of Messrs Hutchinson, Cosgrove and Everitt is available from the Manager and Administrator during normal business hours.

The directors of the Manager may also act as directors of other Collective Investment Vehicles unrelated to the Fund and be remunerated for acting in such capacity. It is possible that a Cell may invest into such unrelated Collective Investment Vehicles and this may be perceived to be a conflict of interests. Details of the investment of the respective cells may be obtained from the Administrator by investors (if they consider it to be prudent) at anytime.

The Investment Advisory Agreements are available for inspection by shareholders of Cells in which it acts as investment advisor at Roseneath, The Grange, St Peter Port, Guernsey GY1 3SJ.

Under the Articles cash forming part of the assets of any Cell may be placed by the Custodian in any current, deposit or loan account with itself or with any associate of the Custodian or the Manager so long as that bank pays interest thereon at a rate no lower than is, in accordance with normal banking practice, the commercial rate for deposits of the size in question negotiated at arm's length.

If any conflict of interest arises, the Directors will endeavour to ensure that it is resolved fairly.

## TAXATION

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The following is intended only as a brief (and necessarily incomplete) summary of certain Guernsey, South Africa and United Kingdom tax consequences that may result to the ICC, a Cell and its Shareholders. The following is subject to change and does not constitute legal, tax or exchange control advice. The following relates to a Shareholder holding Shares as an investment and is based on law and practice in force in the relevant jurisdictions at the date of this document. There can be no guarantee that the tax position or the proposed tax position prevailing at the time an investment in a Cell is made will endure indefinitely.

Prospective Shareholders should consult their own professional advisers on the implications in the relevant jurisdiction(s) of buying, holding, disposing of or redeeming Shares, including the provisions of the laws of the jurisdiction in which they reside, hold citizenship or are domiciled or are otherwise subject to tax.

The ICC or a Cell may be subject to local withholding taxes in respect of income or gains derived from its investments in certain countries and underlying investments. Taxation law and practice and the levels and bases of and reliefs from taxation relating to the ICC, a Cell and to Shareholders may change from time to time.

### ***Guernsey Taxation***

#### **The ICC and the Cells**

Guernsey currently does not levy taxes upon capital inheritances, capital gains gifts, sales or turnover, nor are there any estate duties, save for an ad valorem fee for the grant of probate or letters of administration.

In return for the payment of a fee, a company is able to apply annually for exempt status for Guernsey tax purposes. A company that has exempt status for Guernsey tax purposes is exempt from tax in Guernsey on any income that does not have its source in Guernsey and on interest earned on Guernsey bank account deposits. The ICC and each Cell will apply for and expects to be granted exempt status for Guernsey tax purposes.

Payments of dividends and interest by a company that has exempt status for Guernsey tax purposes are regarded as having their source outside Guernsey and hence are payable without deduction of tax in Guernsey.

#### **The Shareholders**

Any shareholders who are resident for tax purposes in Guernsey, Alderney or Herm will suffer no deduction of tax by the Company from any dividends payable by the Fund but the Administrator will provide details of distributions made to Shareholders resident in the Islands of Guernsey, Alderney and Herm to the Director of Income Tax in Guernsey. Guernsey does not levy any withholding tax on interest as a matter of domestic law, save where the recipient of the interest is a Guernsey resident tax payer. Guernsey has, however, agreed to act in compliance with the European Savings Tax Directive (the "ESTD"), which will apply to payments of interest made by a paying agent resident in Guernsey to an EU resident individual tax payer. The ESTD will not normally oblige a paying agent to withhold any tax or provide information regarding payments made in respect of monies held on behalf of a fund, save where such a fund is acting as a nominee for an EU resident individual tax payer.

Shareholders resident outside Guernsey will not be subject to any tax in Guernsey in respect of any Participating Shares owned by them.

The States of Guernsey is consulting on and considering whether to move to an automatic exchange of information under the measures it applies which are the same as those of the ESTD.

### ***South Africa***

The ICC and the Cells should not have any tax liability in South Africa as the ICC and the Cells do not derive any South Africa source income and do not have a place of business in South Africa. Furthermore, it is the intention of the Directors to manage the business of the ICC and the Cells to ensure, so far as is possible, that effective management and control is in Guernsey.

Any dividends declared should be taxable in South Africa as foreign dividends. The Directors do not intend to declare dividends for the majority of Cells.

When realising their Shares, persons resident for tax purposes in South Africa may be subject to capital gains tax on any capital gains.

### ***United Kingdom taxation***

#### **The ICC and Cells**

The ICC and each Cell will be managed and controlled in such a way that they should not be resident in the United Kingdom for United Kingdom tax purposes. Accordingly, and provided that the ICC and the Cells does not carry on a trade in the United Kingdom (whether or not through a branch or agency situated there), the ICC and each Cell will not be subject to United Kingdom income tax or corporation tax other than on any United Kingdom sourced income.

#### **Shareholders**

##### ***Capital Gains Tax***

The Directors have been advised that the ICC and each Cell should not be an offshore fund for the purposes of United Kingdom taxation and the provisions of Chapter V of Part XVII of the Taxes Act will not apply. Accordingly, Shareholders (other than those holding Shares as dealing stock, who are subject to separate rules) who are resident or ordinarily resident in the United Kingdom, or who carry on business in the United Kingdom through a branch or agency with which their investment in the ICC and each Cell is connected, may, depending on their circumstances and subject as mentioned below, be liable to United Kingdom tax on capital gains realised on the disposal of their Shares.

On a subsequent disposal by an individual Shareholder who is resident or ordinarily resident in the United Kingdom for taxation purposes, the Shares may attract taper relief which reduces the amount of chargeable gain according to how long, measured in years, the Shares have been held.

Holders of Shares who are bodies corporate resident in the United Kingdom for taxation purposes will benefit from indexation allowance which, in general terms, increases the capital gains tax base cost of an asset in accordance with the rise in the retail prices index.

## **Conversion between share classes of a Cell**

The conversion of one class of Shares into another class or other classes of Shares will be a reorganisation of share capital and so consequently there will be no disposal for capital gains tax purposes of the converted class of Shares nor any corresponding acquisition of the other class or classes of Shares. Instead, the Shares of the latter class or classes will be treated, for these purposes, as having been acquired for the same consideration, and at the same time, as the Shares that the Shareholder has elected to convert.

## **Other United Kingdom tax considerations**

United Kingdom resident companies having an interest in a Cell, such that 25 per cent. or more of a Cell's profits for an accounting period could be apportioned to them, may be liable to United Kingdom corporation tax in respect of their share of the Cell's undistributed profits in accordance with the provisions of Chapter IV of Part XVII of the Taxes Act relating to controlled foreign companies. These provisions only apply if the Cell is controlled by United Kingdom residents.

Sections 739 and 740 of the Taxes Act contain provisions for preventing the avoidance of income tax by transactions resulting in the transfer of assets to persons (including companies) abroad.

These provisions may apply to individuals ordinarily resident in the United Kingdom, depending on their particular circumstances.

The attention of Shareholders resident or ordinarily resident in the United Kingdom and, if an individual, domiciled in the United Kingdom is drawn to the provisions of section 13 of the Taxation of Chargeable Gains Act 1992 under which, in certain circumstances, a portion of capital gains made by the Cell can be attributed to a Shareholder who holds, alone or together with associated persons, more than 10 per cent. of the Shares of that Cell.

Persons interested in purchasing Shares should inform themselves as to any tax consequences particular to their circumstances arising in the jurisdiction in which they are resident or domiciled for tax purposes in connection with the acquisition, ownership or disposal by them of any Shares. Notwithstanding the tax summaries set out above, neither the Manager nor the Administrator is providing any potential investor with tax advice and neither the ICC, a Cell, the Manager nor the Administrator will be responsible for any taxes suffered by a Shareholder as a result of his investment in a Cell.

## ANTI-MONEY LAUNDERING

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The Manager, the ICC and the Cell to which you are subscribing must comply with applicable anti-money laundering and counter terrorist financing laws. In particular, they must meet the criteria set by the GFSC from time to time in accordance with the Criminal Justice (Proceeds of Crime) (Financial Services Businesses) (Bailiwick of Guernsey) Regulations 2007, as amended. Neither the relevant Cell nor the ICC accepts cash, or money derived from or intended for use in any illegal activity. To comply with its anti-money laundering and counter terrorist financing obligations, the Manager or the Administrator will seek - and investors will be required to provide - information and documentation to ensure anti-money laundering and counter terrorist financing compliance.

Pending the provision of information and documentation sufficient to satisfy the Manager's and/or the Administrator's anti-money laundering and counter terrorist financing obligations, the Manager and/or the Administrator may retain an investor's money without transferring Shares to the investor. Any interest earned on application monies held by the Cell pending satisfaction of these requirements will be added to the assets of the relevant Cell. If sufficient information and documentation is not provided within a reasonable period of time, the Manager or the Administrator (as the case may be) may return the investor's money without processing the application. The Manager and the Administrator reserve the right to reject any subscription if the Manager or the Administrator deem such action necessary to comply with any legal obligation or if the Manager or the Administrator believe that an investor has failed to provide truthful information or documentation, as requested by the Manager or the Administrator, regarding the investor's identity, background, source of investment funds, or other information or documentation relevant to the Manager and the Administrator's anti-money laundering and counter terrorist financing obligations. A new investor into a Cell need only complete the information requested once. This information will be kept on file and will only need to be updated should there be any relevant changes made to any relevant regulations from time to time.

## **ADDITIONAL INFORMATION**

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### **Incorporation and share capital**

The ICC was registered in Guernsey on 26 September 2007 under the provisions of the Companies Laws and the ICC Ordinance, as an incorporated cell company limited by shares (registered number 47802) under the name of The Universal Mutual Fund ICC Limited. The ICC was incorporated with an authorised share capital of USD 100 divided into 100 management shares of USD 1.00 each, (the "Management Shares"). Two Management Shares of USD 1.00 each have been allotted and issued to the Manager credited as fully paid. Each Cell will incorporate with an authorised share capital of USD 2 divided into two Management Shares of USD 1.00 each and an unlimited number of participating redeemable preference shares (the "Shares") of no par value, unless specified to the contrary in the relevant Supplemental Scheme Particulars.

### **Memoranda of association**

- 1) The memoranda of association of the ICC and each Cell will provide that the principal objects of the ICC and each Cell are to carry on business as investment companies.
- 2) The objects of the ICC and each Cell will be set out in full in clause 4 of the memoranda of association, which will be available for inspection as stated below.

### **Articles of the Incorporated Cell Company**

The following is a summary of certain of the provisions of the Articles, insofar as they may affect an investment in Shares.

### **Incorporated Cells**

- 1) The ICC may by Special Resolution from time to time resolve to create one or more Incorporated Cells in accordance with the ICC Ordinance.
- 2) Subject to the requirements of the ICC Ordinance:
  - a) an Incorporated Cell may be transferred by the ICC to another incorporated cell company;
  - b) a cell of another incorporated cell company may be transferred to the ICC so as to become an Incorporated Cell; and
  - c) the ICC may adopt another company as an Incorporated Cell.
- 3) In accordance with the ICC Ordinance, an Incorporated Cell may not own shares in the ICC.
- 4) An Incorporated Cell may own shares in any other Incorporated Cell.
- 5) The terms of the memorandum and articles of association of each Incorporated Cell shall be as specified in the Special Resolution(s) creating such Incorporated Cell or in the relevant transfer agreement, as the case may be.
- 6) A single resolution (being a Special Resolution of the members of the Incorporated Cell concerned) is required in order to amend the articles of association of an Incorporated Cell.

- 7) In so far as required by the ICC Ordinance, the ICC shall, on behalf of each Incorporated Cell, perform the duties otherwise imposed on a company by the ICC Ordinance and the Companies Laws. Such duties include, without limitation, the maintenance of each Incorporated Cell's register of members, directors and secretaries and, if relevant, the issue of share certificates in respect of the issued shares of such Incorporated Cell(s).
- 8) The ICC shall include in its annual return the information which is required by the Companies Law to be included in respect of the ICC and each Incorporated Cell.
- 9) In accordance with the Companies Law, and in the manner more particularly set out in the Articles, the ICC shall keep accounting records in respect of the ICC and each Incorporated Cell and prepare separate accounts for the ICC and each Incorporated Cell. A copy of every resolution (whether of the Directors or members) which has the effect of (a) appointing, (b) removing or (c) noting the cessation of office of any person as a Director or secretary of the ICC, together with a copy of every letter of resignation of any person as a Director or secretary of the ICC, shall be caused by the Directors promptly to be delivered to each Incorporated Cell which is in existence on the date that such event takes effect.
- 10) A copy of every resolution of the Directors which has the effect of changing the registered office of the ICC, and of every notification to the Registrar of the same, shall be caused by the Directors promptly to be delivered to each Incorporated Cell which is in existence on the date that such change takes effect.
- 11) The ICC may charge an Incorporated Cell fees for services provided by it in respect of the administration of such Incorporated Cell (including, without limitation, the maintenance of its register of members, the maintenance of its accounting records, the preparation of its accounts and the preparation and filing of annual returns in so far as they relate to such Incorporated Cell).
- 12) The Directors shall keep and maintain the assets and liabilities of the ICC separate and separately identifiable from any assets and liabilities of its Incorporated Cells in accordance with the provisions of the Companies Law.

## **Directors**

- 1) Unless otherwise determined by the members by Ordinary Resolution in general meeting the number of Directors shall not be less than three. The first Directors shall be appointed in writing by the subscribers to the memorandum of association. They shall hold office until they resign or are disqualified in accordance with article 18 of the Articles. A majority of directors shall not be resident in the United Kingdom or the Republic of South Africa.
- 2) If the ICC has any Incorporated Cells, the number of Directors:
  - a) shall not be less than the minimum number of directors; and
  - b) shall not be greater than the maximum number of directors permitted to be directors of any of the Incorporated Cells (whether pursuant to the Companies Law, the Articles, the Cell Articles or otherwise).

- 3) Subject to the provisions of article 18(1) of the Articles the Directors shall have power at any time and from time to 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 only until the next following annual general meeting and shall then be eligible for re- election.
- 4) The Directors shall be entitled to such remuneration as may be agreed by the board of Directors, the aggregate remuneration of the Directors not to exceed in any twelve month period GBP 10,000 or currency equivalent or such higher amount as may be approved by Ordinary Resolution of the ICC. Such remuneration shall be deemed to accrue from day to day. The Directors may also be paid all reasonable out of pocket expenses properly incurred by them in the performance of their duties to the ICC.
- 5) The Directors may grant special remuneration to any Director who, being so called upon, shall be willing to render any special or extra services to the ICC. Such special remuneration may be made payable to such Director in addition to or in substitution for his ordinary remuneration as a Director, and may be made payable by a lump sum or by way of salary or commission or by any or all of those modes or otherwise.
- 6) A Director need not be a member of the ICC.

#### **Disqualification and retirement of Directors**

- 1) The office of a Director shall ipso facto be vacated in any of the following events namely if:
  - a) he resigns his office by notice in writing by him and left at the registered office of the ICC;
  - b) he becomes bankrupt or makes any arrangements or composition with his creditors generally;
  - c) he becomes of unsound mind;
  - d) he be requested by all the other Directors (not being less than two in number) to vacate his office;
  - e) he becomes resident in either the United Kingdom or the Republic of South Africa and but for the provisions of this paragraph a majority of the Directors would have been resident in the United Kingdom or the Republic of South Africa; or
  - f) he is removed from office by an Ordinary Resolution of the ICC in general meeting.
- 2) The Directors nominated by the subscribers to the memorandum of association of the ICC shall continue to hold office subject to article 18 of the Articles.
- 3) At least seven days' previous notice in writing shall be given to the ICC of the intention of any member to propose any person other than a retiring Director for election to the office of Director and the willingness of such person to be so elected provided that if the members present at a general meeting unanimously consent the chairman of such meeting may waive the said notice and submit to the meeting the name of any person so nominated.

## **Management Shares**

The Management Shares may only be issued at par and to the Manager. The rights attaching to the Management Shares are as follows:

### **Voting rights**

Holders of Management Shares (other than the ICC itself where it holds its own shares as Treasury Shares) shall be entitled:

- (a) on a show of hands (if present in person) to one vote;
  - (b) on a poll (if present in person or by proxy) to one vote;
- in respect of each Management Share held by him.

### **Dividends and distribution of assets on a winding up**

The Management Shares do not carry any right to dividends. In the event of a liquidation, they rank *pari passu inter se*.

### **Redemption**

The Management Shares are not redeemable.

### **Articles of each Incorporated Cell**

The main provisions of the standard form Cell Articles can be summarised as follows. To the extent that a Cell adopts non-standard Cell Articles, the differences will be highlighted in the relevant Cell Particulars.

- 1) Subject to the provisions of Guernsey law all or any of the special rights for the time being attached to any class of shares for the time being issued may (unless otherwise provided by the terms of issue of the shares of that class or the Cell Articles) from time to time (whether or not the relevant Cell 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 passed at a separate general meeting of the holders of such shares. All the provisions of the Articles as to general meetings of the relevant Cell shall *mutatis mutandis* apply to any such separate general meeting but so that the necessary quorum shall be two members holding or representing by proxy a total in aggregate of not less than one third of the issued shares of the class, and any holder of shares of the class shall be entitled on a poll to one vote for every such share held by him and any holder of shares of the class present in person or by proxy may demand a poll.
- 2) The rights conferred upon the holders of the Shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith or by the creation, allotment or issue of Management Shares.

- 3) A Cell may from time to time by Ordinary Resolution increase its share capital by such sum to be divided into shares of such amounts as the resolution shall prescribe.
- 4) Subject to the provisions of Guernsey law a Cell may by Special Resolution from time to time reduce its share capital in any way, and in particular, without prejudice to the generality of the foregoing power, may:
  - a) extinguish or reduce the liability on any of its shares in respect of share capital not paid up; or
  - b) with or without extinguishing or reducing liability on any of its shares
    - (i) cancel any paid-up share capital which is lost, or which is not represented by available assets; or
    - (ii) pay off any paid-up capital which is in excess of the requirements of a Cell, and may, if and so far as is necessary, alter its memorandum by reducing the amount of its share capital and of its shares accordingly.
- 5) A Cell may by Ordinary Resolution from time to time alter its share capital by:-
  - a) consolidating and dividing all or any of its share capital into shares of larger amount than its existing shares;
  - b) sub-dividing its shares, or any of them, into shares of a smaller amount than that fixed by its memorandum of association so, however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; or
  - c) cancelling any shares which, at the date of the passing of the Ordinary Resolution in that behalf have not taken, or agreed to be taken, by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.
  - d) convert all or any of its fully paid shares the nominal amount of which is expressed in a particular currency into fully paid shares of a nominal amount of a different currency in accordance with Guernsey law.

### **Issue of Shares**

All Shares in the capital of a Cell for the time being unissued are under the control of the Directors who may allot and dispose of or grant options over the same to such persons, on such terms and in such manner as they may think fit. Shares do not carry any rights of pre-emption. Except with the consent of the majority of votes cast at a separate general meeting of the shareholders of the Cell, no shares in the capital of a Cell, other than Shares and Management Shares shall be issued.

### **Classes of Shares**

#### **Management Shares**

The Management Shares may only be issued at par and to the Manager. The rights attaching to the Management Shares are as follows:

## **Voting rights**

In relation to each Cell the Management Shares carry no voting rights whilst any Shares of any Cell are in issue.

## **Dividends and distribution of assets on a winding up**

The Management Shares do not carry any right to dividends. In the event of a liquidation, they rank *pari passu* inter se but only for return of the amount paid up on them.

## **Redemption**

The Management Shares are not redeemable.

## **Shares**

The rights attaching to the Shares are as follows:

### **Voting rights**

On a show of hands, every holder who (being an individual) is present in person shall have one vote and, on a poll, every holder present in person or by a proxy or by a duly authorised representative shall have one vote for every Share held.

### **Dividends**

- 1) The Shareholders of each Cell may from time to time declare dividends payable to holders of Shares of the relevant Cell up to an amount recommended by the Directors. The Directors may from time to time if they think fit pay interim dividends on Shares of a particular Cell if justified by the profits of that Cell. (See further, section "Dividends" below).
- 2) The rate of dividend on the Shares of a particular Cell in respect of any Annual Accounting Period of a Cell (as defined in the Cell Articles) shall be calculated by the Directors and shall be arrived at by dividing the amount of income after tax attributable to the Shares of the relevant Cell which the Directors deem advisable for distribution divided by the number of Shares entitled to the dividend.

### **Winding up**

The Shares carry a right to a return of the surplus assets remaining on the winding up of a Cell and such assets of that Cell are distributed to the holders of the Shares *pro rata* to the amount paid up thereon.

### **Redemption, transfer and compulsory redemption of Shares**

Please see page 24 et seq of these Scheme Particulars and the relevant Cell Particulars

### **Borrowing powers**

Subject as described under "Borrowings" on page 13 of these Particulars, the Directors may exercise all the powers of a Cell to borrow money and hypothecate, mortgage, charge or pledge the assets, property and undertaking of a Cell or any part thereof and to issue debentures and other securities

whether outright or as collateral security for any debt, liability or obligation of a Cell or of any third party.

### **Dividends**

- 1) Subject to the Companies Law, and as hereinafter set out, the Shareholders of each Cell may from time to time by Ordinary Resolution declare dividends on Shares to be paid to Shareholders according to their respective rights and interests in the profits available for distribution, but no dividend will be declared in excess of the amount recommended by the Directors. The Directors have the right to recommend the payment of dividends in respect of any Cell at their discretion, provided that dividends will be payable only to the extent that they are covered by funds of the Cell concerned as may be lawfully distributed as dividends.
- 2) The Directors may, with the sanction by Ordinary Resolution of the Shareholders of a Cell, satisfy any dividend, in whole or in part, by distributing in specie any of the assets of the Cell concerned provided that no such distribution shall be made which would amount to a reduction of capital save with the consents required under Guernsey law.
- 3) All unclaimed dividends may be invested or otherwise made use of by the Directors for the benefit of a Cell until claimed. No dividend shall bear interest against the Cell. Any dividend unclaimed after a period of six years from the date of declaration thereof will be forfeited and will revert to the Cell in respect of which it was declared and the payment by the Directors of any unclaimed dividend or other sum payable on or in respect of a Share into a separate account will not constitute the relevant Cell a trustee in respect thereof.

### **Valuation of Net Assets**

The Manager has delegated the responsibility for the determination of the Net Asset Value for each Cell to the Administrator under the Administration Agreement. Valuations made pursuant to the Cell Articles are binding on all persons. In determining the Net Asset Value the Articles provide inter alia that:

- 1) deposits shall be valued at their principal amount plus accrued interest calculated on a daily basis;
- 2) certificates of deposit shall be valued with reference to the best price bid for certificates of deposit of like maturity, amount and credit risk, for settlement as at the relevant Valuation Day;
- 3) Treasury Bills and bills of exchange shall be valued with reference to prices ruling in the appropriate markets for such instruments for settlement as at the relevant Valuation Day;
- 4) forward foreign exchange contracts will be valued by reference to market value of similar contracts settled as at the relevant Valuation Day;
- 5) all valuations of financial futures contracts shall be assessed by reference to the prevailing prices on the relevant futures exchanges;
- 6) where any security owned or contracted for by a Cell is listed or dealt in on a Recognised Investment Exchange recognised as such under the securities laws of the jurisdiction in which it is situated or on any over-the-counter market, all calculations of the Net Asset Value which are required for the purpose of computing the price at which Shares of any class are to be issued or redeemed, shall be based on the latest mid price therefore as at the relevant Valuation Day.

When such security is listed or dealt in on more than one stock exchange or over-the-counter market the Directors may in their absolute discretion select any one of such stock exchanges or over-the-counter markets for the foregoing purposes;

- 7) in respect of any security the quotation of which has been suspended or in which there has been no recent trading, the value shall be taken to be a reasonable estimate of the amount which would be received by a seller by way of consideration for an immediate transfer or assignment from the seller at arm's length less any fiscal charges, commission and other sales charges which would be payable by the seller;
- 8) the value of any investment which is not quoted, listed or normally dealt in on a stock exchange or over the counter market shall be the value considered by the Directors in good faith to be the value thereof;
- 9) the value of any units, shares or other security of any unit trust, mutual fund, investment company or other similar investment vehicle or collective investment scheme shall be derived from the last prices, whether estimated or final, published by the investment managers thereof; and
- 10) the Directors shall be entitled, at their discretion, to apply a method of valuing any investment comprised in any Cell different from that prescribed hereunder if such method would in their opinion be more equitable for Shareholders.

For the purpose of the determination of the Net Asset Value:

- 1) assets and liabilities denominated in foreign currencies will be translated into the base currency of the relevant Cell at the rate of exchange ruling at the relevant Valuation Day; and
- 2) fees, expenses and assets attributable to a particular Cell shall be borne by or allocated to that Cell. In the case of any fees, expenses or assets which the Directors do not consider to be readily attributable to any particular Cell the Directors shall, determine the basis upon which such fees, expenses or assets as the case may be shall be allocated between Cells and shall have power at any time and from time to time to vary such basis.

### **Winding up**

The ICC or a Cell may be voluntarily wound up at any time by Special Resolution. The Directors are bound to convene an extraordinary general meeting for the purpose of passing a Special Resolution for the winding up of the ICC if the ICC's authorisation under the POI Law is revoked (unless the GFSC agrees otherwise). On a winding up a liquidator will be appointed firstly to pay the debts of the ICC or a Cell and then to distribute its assets amongst Shareholders, according to the rights attached to their Shares. Each Cell itself is a company. The assets of one Cell are not available to meet the liabilities of any other Cell and Shareholders are only entitled to share in the surplus assets of the Cell to which their Shares relate.

### **Incorporated Cells**

Subject to the requirements of the Companies Law:

- 1) the Cell may be transferred by the ICC to, and may become a cell of, another incorporated cell company;

- 2) the Cell may apply to the registrar of companies to be incorporated as a company independent of the ICC with the sanction of a Special Resolution and, if there is more than one class of Shares in issue, an Extraordinary Resolution of the holders of each class of Share;
- 3) in accordance with the Companies Law, the Cell may not own shares in the ICC;
- 4) the Cell may own shares in any other Incorporated Cell of the ICC;
- 5) a single resolution (being a Special Resolution of the holders of Shares concerned) is required in order to amend the Cell Articles; and
- 6) the ICC may charge the Cell fees for services provided by it in respect of the administration of the Cell (including, without limitation, the maintenance of its register of members, the maintenance of its accounting records, the preparation of its accounts and the preparation and filing of annual returns in so far as they relate to the Cell).

### **Regulatory consents**

All consents, approvals, authorisations or other orders of all regulatory authorities (if any) required by the ICC under the laws of Guernsey for the issue of Shares and for the Manager and the Administrator to undertake their respective obligations under their respective agreements referred to in the Material Contracts section below have been given.

### **Report and accounts**

Copies of the audited financial statements of the ICC and of each Cell, which will be made up to the accounting date of the ICC and each Cell which is March in each year (with the first accounting date being 31 March 2008) will be sent to Shareholders of the corresponding Cells at their registered addresses not less than 21 days before the date fixed for the general meeting of the ICC or the Cell at which they will be presented. Annual audited and interim accounts will not be sent other than to the Shareholders of that Cell. Shareholders will not be entitled to receive such accounts in relation to other Cells of which they are not investors. The annual report of the ICC and each Cell will be published within 6 months of the accounting period to which they relate.

### **General meetings**

A Cell will not hold annual general meetings. General meetings may be convened from time to time by the Directors on giving not less than 10 days' notice to Shareholders at their registered addresses or by Shareholders requisitioning such meetings in accordance with Guernsey law, and may be held in Guernsey or elsewhere.

On a winding up a liquidator will be appointed firstly to pay the debts of the ICC or a Cell and then to distribute its assets amongst Shareholders, according to the rights attached to their Shares. Each Cell itself is a company. The assets of one Cell are not available to meet the liabilities of any other Cell and Shareholders are only entitled to share in the surplus assets of the Cell to which their Shares relate.

### **Incorporated Cells**

Subject to the requirements of the Companies Law:

- 1) the Cell may be transferred by the ICC to, and may become a cell of, another incorporated cell company;

- 2) the Cell may apply to the registrar of companies to be incorporated as a company independent of the ICC with the sanction of a Special Resolution and, if there is more than one class of Shares in issue, an Extraordinary Resolution of the holders of each class of Share;
- 3) in accordance with the Companies Law, the Cell may not own shares in the ICC;
- 4) the Cell may own shares in any other Incorporated Cell of the ICC;
- 5) a single resolution (being a Special Resolution of the holders of Shares concerned) is required in order to amend the Cell Articles; and
- 6) the ICC may charge the Cell fees for services provided by it in respect of the administration of the Cell (including, without limitation, the maintenance of its register of members, the maintenance of its accounting records, the preparation of its accounts and the preparation and filing of annual returns in so far as they relate to the Cell).

### **Material Contracts**

The following contracts have been entered into by the ICC and the existing Cells:

- 1) the Management Agreement;
- 2) the Administration Agreement; and
- 3) the Custodian Agreement;

each of which is described in "Management and Organisation" above.

### **Litigation**

Neither the ICC nor any Cell has since its incorporation been nor is it engaged in any legal or arbitration proceedings and no legal or arbitration proceedings are pending or threatened against the ICC or any Cell which may have or have had a significant effect on the financial position of the ICC.

### **General**

- 1) At the date of this document, the ICC and the Cells have no subsidiaries.
- 2) The ICC does not have nor has it had any employees since its incorporation.
- 3) The ICC's principal place of business and registered office is Roseneath, The Grange, St Peter Port, Guernsey GY1 3SJ.
- 4) At the date of this document, no Director of the ICC has any interest, direct or indirect, in any assets which have been acquired or disposed of for the account of any Cell or are proposed to be acquired or disposed of by any Cell, nor is there any contract or arrangement subsisting at the date of these Particulars in which a Director is or may be materially interested and which is significant in relation to the business of the ICC save for those detailed on page 36.

**Documents available for inspection**

Copies of the following documents may be inspected during usual business hours on any Business Day at the registered office of the ICC in Guernsey:

- 1) the memorandum and articles of association of the ICC and each Cell;
- 2) the material contracts referred to above;
- 3) the Companies (Guernsey) Laws 2008, as amended; and
- 4) once available, the most recent published Annual and Interim Report and Accounts of the ICC and each Cell (for inspection by investors in that Cell).