

# EXHIBIT A

---

If you are in any doubt about the contents of this prospectus (the "Prospectus"), you should consult your stockbroker, bank manager, solicitor, accountant or other financial advisor.

The Directors of the Company, whose names appear on page 10 are the persons responsible for the information contained in this Prospectus and accept responsibility accordingly. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

---

## THEMA INTERNATIONAL FUND plc

*(An umbrella type open-ended investment company with variable capital  
and having segregated liability between its Funds  
incorporated with limited liability in Ireland  
under registration number 248741)*

### PROSPECTUS

Investment Manager

BANK MEDICI AG

---

The Directors do not anticipate that an active secondary market will develop in such Participating Shares of the Company.

This document should be read in conjunction with any Supplement hereto.

The date of this Prospectus is 31 December 2006.

## THEMA INTERNATIONAL FUND PLC

### PRELIMINARY

This Prospectus comprises information relating to Thema International Fund plc, an open-ended investment company with variable capital and having segregated liability between its Funds organised under the laws of Ireland. It qualifies and is authorised in Ireland by the Financial Regulator as a UCITS for the purposes of the UCITS Regulations. This document together with any Supplement or addendum constitutes a prospectus for the purposes of the UCITS Regulations and comprises listing particulars for the purpose of any application for listing of any such class of Shares in respect of which that Supplement is issued.

The Financial Regulator shall not be liable by virtue of its authorisation of the Company or by reason of its exercise of the functions conferred on it by legislation in relation to the Company for any default of the Company. Authorisation of the Company does not constitute a warranty by the Financial Regulator as to the credit worthiness or financial standing of the various service providers to the Company. The authorisation of the Company is not an endorsement or guarantee of the Company by the Financial Regulator and the Financial Regulator is not responsible for the contents of this Prospectus.

Neither the admission of the Shares of the Company to the official list nor the approval of this document pursuant to the listing requirements of The Irish Stock Exchange Limited shall constitute a warranty or representation by the Irish Stock Exchange as to the competence of service providers to or any other party connected with the Company, the adequacy of information contained in the document or the suitability of the Company for investment purposes.

Applications for Participating Shares in a Fund will only be considered on the basis of this Prospectus and a copy of the latest annual report and if published after such report, a copy of the latest unaudited semi-annual report. Distribution of this Prospectus is not authorised unless it is accompanied by a copy of the latest semi-annual report and/or annual report (as the case may be).

A separate Supplement relating to any new Fund of the Company approved by the Financial Regulator will be issued at the time of the establishment of that Fund. If there are different classes representing a Fund, details relating to the separate classes may be dealt with in the same Supplement or in separate Supplements for each Class. Each Supplement shall form part of, and should be read in conjunction with, this Prospectus.

Statements made in this Prospectus are, except where otherwise stated, based on the law and practice currently in force in Ireland and are subject to change.

No person has been authorised to give any information or to make any representation in connection with the offering or placing of Shares other than those contained in this Prospectus and the reports referred to below and, if given or made, such information or representation must not be relied upon as having been authorised by the Company. The delivery of this Prospectus (whether or not accompanied by the reports) or any issue of Shares shall not, under any circumstances, create any implication that the affairs of the Company have not changed since the date of this Prospectus.

The Company may make application to register and distribute its Shares in jurisdictions outside Ireland. In the event that such registrations take place, the Company may appoint or be required to appoint paying agents, representatives, distributors or other agents in the relevant jurisdictions. The fees and expenses in connection with the registration and distribution of shares in such jurisdictions,

which will be at normal commercial rates, may be borne by the Company and/or the Funds. Details of the local representatives will be set out in the local relevant country information document.

The distribution of this Prospectus and the offering and placing of Shares in certain jurisdictions may be restricted and, accordingly, persons into whose possession this Prospectus comes are required by the Company to inform themselves about and to observe such restrictions.

This Prospectus does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

As the Company is neither authorised nor recognised by the Financial Services Authority ("FSA") it is not categorised as a regulated collective investment scheme in the United Kingdom for the purposes of the Financial Services and Markets Act 2000 (the "Act") and subordinate legislation made under that Act, including the FSMA 2000 (Financial Promotion) Order 2001 ("FPO"), the FSMA 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 ("SPO"), and the Conduct of Business ("COB") Sourcebook of rules and guidance made by the FSA under the Act. This means that there are strict rules on the promotion of the Company. This document and its contents are confidential and its distribution (which term shall include any form of communication) is restricted pursuant to Section 21 (restrictions on financial promotion) of the Act. To the extent that this document is capable of having effect in the United Kingdom, it is only directed at, and may only be distributed to, persons who are "investment professionals" (being persons having professional expertise in matters relating to investments) within the meaning of Article 19(5) of the FPO or article 14 of the SPO, or who are persons to whom any of paragraphs (2)(a) to (d) of Article 49 (high net worth companies, unincorporated associations etc.) of the FPO or article 22(2)(a) to (d) of the SPO apply, and certified sophisticated investors within the meaning of article 50 of the FPO or article 23 of the SPO, or who are persons to whom distribution may otherwise lawfully be made under the legislation described above. Any investment, and investment activity or controlled activity, to which this document relates is available only to such persons and will be engaged in only with such persons. Persons that do not have professional experience should not rely or act upon this document unless they are persons to whom it may lawfully be directed under the legislation described above.

Where this document is communicated or approved by an authorised person, the relevant classes of investor also include market counterparties or intermediate customers within the meaning of COB 3, certain exempt persons (other than appointed representatives), and certain established or newly accepted customers within the meaning of COB 3 Ann 5 for whom investment is suitable. Shares in the Company are available only to such investors; other persons should not rely or act upon this document, and there are in place proper administrative and other systems and procedures to prevent such persons from acquiring Shares in the Company. The rules made by the FSA under the Act for the protection of private customers (including those conferring rights of cancellation or withdrawal) do not apply, and the Financial Services Compensation Scheme will not be available, in relation to an investment in the Company.

With limited exceptions, the direct or indirect offer, sale, transfer or delivery of Shares to US Persons is prohibited and the Shares may not be offered or sold within the United States. The Shares have not been registered under the US Securities Act of 1933 (the "1933 Act") or the securities laws of any state within the United States, nor is such registration contemplated. This document has not been filed with or reviewed by the US Securities and Exchange Commission and neither that Commission nor any state securities administrator has passed upon or endorsed the merits of an investment in the Company or a Fund, or the accuracy or adequacy of the information contained herein. Any representation to the contrary is a criminal offence. For these purposes, "United States" and "US Persons" have the meanings given to them by Regulation S under the 1933 Act, as amended, under the US Internal Revenue Code of 1986; as amended, and under the regulations of the US Commodity Futures Trading Commission (the "CFTC"). The Company and any Fund will not be registered under the US Investment Company Act of 1940, as amended. Neither the Company nor the Investment

Manager will be registered under the US Investment Advisers Act of 1940, as amended, or under any state laws. Pursuant to CFTC Rule 4.13(a)(4), neither the Company nor the Investment Manager will be registered under the US Commodity Exchange Act, as amended. Consequently, certain of the protections afforded by those statutes will not be available. Unlike a registered commodity pool, the Company is not required to deliver to you a disclosure document, as defined in CFTC rules or a certified annual report. Each prospective investor is required at the time of acquiring the Shares to represent that they are not acquiring the Shares with the assets of an BRISA Plan, as defined in the subscription documents.

Before investing in the Company, potential investors should consider the risks involved in such investment. Please see "Risk Factors" on page 14 below. In addition, potential investors should inform themselves as to:

- (a) the legal requirements within the countries of their nationality, residence, ordinary residence or domicile for such acquisition;
- (b) any foreign exchange restrictions or exchange control requirements which they might encounter on the acquisition or sale of Shares; and
- (c) the income tax and other taxation consequences which might be relevant to the acquisition, holding or disposal of Shares.

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

## TABLE OF CONTENTS

THEMA INTERNATIONAL FUND PLC .....	2
PRELIMINARY.....	2
DEFINITIONS .....	7
DIRECTORS, INVESTMENT MANAGER AND OTHER ADVISERS .....	10
SUMMARY INFORMATION.....	11
THEMA INTERNATIONAL FUND PLC .....	12
INTRODUCTION .....	12
INVESTMENT OBJECTIVES AND POLICIES .....	12
EFFICIENT PORTFOLIO MANAGEMENT.....	13
INVESTMENT RESTRICTIONS .....	13
BORROWING RESTRICTIONS.....	13
DISTRIBUTION POLICY.....	14
RISK FACTORS .....	14
GENERAL .....	14
EXCHANGE CONTROL.....	14
MANAGEMENT AND ADMINISTRATION.....	15
DIRECTORS .....	15
INVESTMENT MANAGER .....	16
THE ADMINISTRATOR, REGISTRAR, TRANSFER AGENT AND SECRETARY .....	16
CUSTODIAN.....	16
DISTRIBUTOR.....	17
PROMOTER.....	17
LEGAL ADVISERS .....	18
AUDITORS.....	18
CONFLICTS OF INTEREST .....	18
MEETINGS.....	19
REPORTING.....	19
SUBSCRIPTIONS AND REDEMPTIONS .....	20
SUBSCRIPTION FOR SHARES .....	20
MONEY LAUNDERING.....	20
EUROPEAN UNION TAXATION OF SAVINGS INCOME DIRECTIVE.....	21
REDEMPTION OF SHARES .....	22
TOTAL REDEMPTION .....	22
TRANSFERS.....	22
TEMPORARY SUSPENSIONS .....	22
CONVERSION.....	23
FEEES AND EXPENSES .....	25
GENERAL.....	25
TAXATION.....	28
GENERAL.....	28
IRISH TAXATION.....	28
SHAREHOLDERS .....	31
STAMP DUTY .....	33
CAPITAL ACQUISITIONS TAX.....	33
STATUTORY AND GENERAL INFORMATION.....	34
APPENDIX I.....	47
THE REGULATED MARKETS.....	47

APPENDIX II.....	49
INVESTMENT TECHNIQUES AND INSTRUMENTS FOR EFFICIENT PORTFOLIO MANAGEMENT/DIRECT	
INVESTMENT PURPOSES.....	49
APPENDIX III.....	52
INVESTMENT RESTRICTIONS.....	52

## DEFINITIONS

As used in this Prospectus, the following words and phrases shall have the meanings set forth below.

"*1933 Act*", the United States Securities Act of 1933 (as amended).

"*1940 Act*", the United States Investment Company Act of 1940 (as amended).

"*Administrator*", HSBC Securities Services (Ireland) Limited, a limited liability company incorporated in Ireland.

"*Administration Agreement*", the Agreement dated 30 May 1996 made between the Company and the Administrator and subsequently amended by a supplemental administration agreement dated 21 August 2006.

"*Articles*", the Articles of Association of the Company as amended from time to time.

"*Auditors*", PricewaterhouseCoopers, Chartered Accountants.

"*Base Currency*", in respect of any class of shares, means the currency in which the Shares are issued.

"*Business Day*", in relation to any Fund, any day on which the banks in both Dublin and Geneva are open for business, or any additional day as the Directors may from time to time determine (see the relevant Supplement).

"*Company*", Thema International Fund plc.

"*Custodian*", HSBC Institutional Trust Services (Ireland) Limited.

"*Custodian Agreement*", the Agreement dated 30 May 1996 made between the Company and the Custodian as amended by a supplemental custodian agreement dated 21 August 2006.

"*Dealing Day*", in relation to any Fund, such day or days as the Directors may from time to time determine, provided that:-

- (i) there shall be at least two Dealing Days in every month; and
- (ii) the assets of the Company shall be valued for each Dealing Day.

"*Distribution Agreement*", the Agreement dated 31 December 2006 between the Company and the Distributor.

"*Distributor*", Thema Asset Management Limited, a company incorporated under the laws of the British Virgin Islands.

"*Directors*", the directors of the Company or any duly authorised committee thereof.

"*Duties and Charges*", in relation to any Fund, all stamp and other duties, taxes, governmental charges, brokerage, bank charges, transfer fees, registration fees and other duties and charges whether in connection with the original acquisition or increase of the assets of the relevant Fund or the creation, issue, sale, conversion or repurchase of Shares or purchase of Investments or in respect of certificates or otherwise which may have become or may be payable in respect of or prior to or in connection with or arising out of or upon the occasion of the transaction or dealing in respect of which such duties and charges are payable but shall not include any commission payable to agents on sales



and purchases of Shares or any commission, taxes, charges or costs which may have been taken into account in ascertaining the Net Asset Value of Shares in the relevant Fund.

"*EURO or €*", the currency unit referred to in the second sentence of the Council Regulation (EC) no.974/98 of 3 May 1998 on the introduction of the Euro.

"*Financial Regulator*", the Irish Financial Services Regulatory Authority or any successor thereof.

"*Fund*", a fund of assets established (in accordance with the requirements of the Notices) for one or more classes of Shares which is invested in accordance with the investment objectives applicable to such fund.

"*Investment Manager*", Bank Medici AG, a company incorporated under the laws of Austria.

"*Investment*", any investment authorised by the Memorandum of Association of the Company and which is permitted by the UCITS Regulations and the Articles.

"*Investment Management Agreement*", the Agreement dated 31 December 2006 between the Company and the Investment Manager.

"*Irish Stock Exchange*", means The Irish Stock Exchange Limited.

"*Minimum Holding*", a holding of Participating Shares in any Fund or across a number of funds having an aggregate value of such minimum amount as determined by the Directors.

"*Net Asset Value*", in respect of any Fund, the net asset value of Participating Shares thereof determined in accordance with the Articles for each Dealing Day. For fuller details see pages 40 to 43.

"*Notices*", the notices issued by the Financial Regulator in exercise of its powers under the UCITS Regulations.

"*Qualified Holder*", any person, corporation or entity other than (i) a United States Person which is not a Qualified US Person; (ii) any person, corporation or entity which cannot acquire or hold Participating Shares without violating laws or regulations applicable to it; or (iii) a custodian, nominee, or trustee for any person, corporation or entity described in (i) or (ii) above.

"*Qualified US Person*", a United States person who has acquired Shares with the consent of the Directors provided that the number of Qualified US Persons shall not exceed such number as the Directors shall determine from time to time with a view to precluding the Company from being required to register as an investment company under the 1940 Act, or, in the absence of such determination, 75.

"*Redemption Price*", in respect of any Fund, the price at which Participating Shares can be redeemed as calculated in the manner set forth in the Prospectus.

"*Regulated Market*", in relation to any Investment, any stock exchange or other regulated market as referred to in the UCITS Regulations or as listed in Appendix I, it being noted that the Financial Regulator does not issue a list of authorised exchanges or markets.

"*Share*", or "*Participating Share*", a share of no par value in the Company designated as a Participating Share in a Fund of the company.

"*Shareholder*", the registered holder of a Share and does not include any individual or entity for whose account the registered holder purchases Shares.

**"Subscriber Shares"**, shares of US\$1.00 each in the capital of the Company designated as **"Subscriber Shares"** in the Articles and subscribed by or on behalf of the Distributor for the purposes of incorporating the Company.

**"Subscription Price"**, the price at which Participating Shares in a Fund can be subscribed as set forth in the Prospectus.

**"Supplement"**, any document issued by the Company expressed to be a supplement to this Prospectus.

**"UCITS"**, Undertaking for Collective Investment in Transferable Securities established pursuant to the UCITS Directive as amended.

**"UCITS Directive"**, Council Directive of 20 December 1985 (85/611/EEC) on the co-ordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities as amended by Council Directive of 22 March 1988 (88/220/EEC), Directive No. (95/26/EC) of the Council and of the European Parliament of 29 June 1995 and Directive No. 2001/108/EC of the Council and of the European Parliament of 21 January 2002, Directive No. 2001/107/EC of the Council and of the European Parliament of 21 January 2002 as applicable and any amendment thereto.

**"UCITS Regulations"**, the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2003 (SI No. 211 of 2003) as amended by the European Communities (Undertakings for Collective Investment in Transferable Securities) (Amendment) Regulations 2003 (SI No. 212 of 2003), as same may be amended.

**"United States"** and **"US"**, the United States of America or any of its territories, possessions or other areas subject to its jurisdiction including the Commonwealth of Puerto Rico.

**"United States Dollars"**, **"US Dollars"** and **"US\$"**, the lawful currency of the United States of America.

**"United States Person"** and **"US Person"**, any person defined as a US Person (1) by Regulation S under the 1933 Act, (2) under the US Internal Revenue Code of 1986; as amended, or (3) under the regulations of the CFTC. Directors may amend the definition of **"United States Person"** for purposes of this Prospectus without notice to Shareholders as may become necessary to best reflect then current applicable law and regulation. **"United States Persons"** must be **"accredited investors"** under Regulation D under the 1933 Act, and **" "** under Section 3(c)(7) of the US Investment Company Act of 1940, as amended.

**"Valuation Point"**, such point in time by reference to which the Net Asset Value of a Fund is calculated as the Directors may from time to time determine, and as set out in the relevant Supplement.

## **DIRECTORS, INVESTMENT MANAGER AND OTHER ADVISERS**

### **The Company and Registered Office**

Thema International Fund plc  
HSBC House  
Harcourt Centre  
Harcourt Street  
Dublin 2  
Ireland

### **The Directors**

The Directors of the Company,  
whose business address is at  
the registered office of  
the Company as follows:

### **Investment Manager**

Bank Medici AG  
Operngasse 6/4  
1010 Vienna  
Austria

Stéphane Benbassat  
Alberto Benbassat  
David T. Smith  
Gerald J. P. Brady  
Daniel Morrissey

### **Custodian**

HSBC Institutional Trust  
Services (Ireland) Limited  
HSBC House  
Harcourt Centre  
Harcourt Street  
Dublin 2  
Ireland

### **Administrator, Registrar, Transfer Agent and Secretary**

HSBC Securities Services (Ireland) Limited  
HSBC House  
Harcourt Centre  
Harcourt Street  
Dublin 2  
Ireland

### **Sponsoring Brokers**

NCB Stockbrokers Limited  
3 George's Dock  
International Financial Services Centre  
Dublin 1  
Ireland

### **Legal Advisers to the Company**

William Fry  
Solicitors  
Fitzwilton House  
Wilton Place  
Dublin 2  
Ireland

### **Auditors**

PricewaterhouseCoopers  
Chartered Accountants  
George's Quay  
Dublin 2  
Ireland

### **Distributor**

Thema Asset Management Limited  
Citco Building  
Wickhams Cay  
Road Town  
Tortola  
British Virgin Islands

## SUMMARY INFORMATION

The following is a summary only and is qualified in its entirety by the more detailed information appearing elsewhere in this Prospectus, the Articles, and any relevant Supplement which should be read by prospective investors prior to making any decision to invest.

<b>THE COMPANY</b>	The Company is an umbrella type open-ended investment company with variable capital and having segregated liability between its Funds incorporated in Ireland as a public limited company qualifying as a UCITS.
	The assets of each Fund will be invested in accordance with the investment objectives and policies of that Fund. Each Fund will constitute a separate fund of the Company. Particulars in relation to any Fund are set out in the relevant Supplement for that Fund.
<b>INVESTMENT OPPORTUNITY</b>	The Company is designed for investors (who are Qualified Holders, as defined under the heading "Definitions") who desire professional management of their liquid assets.
<b>MANAGEMENT OF THE COMPANY</b>	The Directors are responsible for the management of the Company's affairs and have appointed Bank Medici AG as Investment Manager of the Company.
<b>THE OFFERING</b>	Details in relation to the subscription and settlement procedures for any Fund are set out in the relevant Supplement.
<b>NET ASSET VALUE/VALUATION POINT</b>	The Net Asset Value of each Fund will be calculated as at each Valuation Point in the Base Currency for each Fund (unless the Valuation Point has, for any reason been postponed or suspended) as set out in the relevant Supplement.
<b>INVESTOR RESTRICTIONS</b>	The Shares may not be purchased or held by or for the account of US Persons (other than Qualified US Persons).
<b>CONVERSION BETWEEN FUNDS</b>	Where there is more than one class in any Fund established by the Company, Shareholders may convert specified minimum amounts of their holdings to the corresponding Share class of any other Fund of the Company in order to maximise the potential of different market conditions relating to different Funds.

## THEMA INTERNATIONAL FUND PLC

### Introduction

The Company is organised under the laws of Ireland as an open-ended investment company with variable capital and having segregated liability between its Funds pursuant to the Companies Acts, 1963 to 2005.

The Company is qualified as a UCITS within the meaning of the UCITS Regulations and, pursuant to the UCITS Regulations, is authorised by the Financial Regulator.

The Company is structured as an umbrella fund in that different classes of Shares (one or more allocated to a separate Fund) may be issued from time to time by the Directors. On the introduction of any new Fund, which is subject to the consent of the Financial Regulator, documentation will be prepared setting out the relevant details of each such Fund. The Funds will (subject to the comments under the heading "Risk Factors" below) be separate from one another and will be invested in accordance with the investment objectives applicable to such Fund. There is currently only one sub-fund of the Company, the Thema Fund. Particulars relating to US\$ Class and Euro Class of the Thema Fund are set out in the relevant Supplement.

The Company intends to enter into transactions for the purpose of hedging the currency exposure of any class which is denominated in a currency other than the Base Currency of the Fund. The extent to which the Company to hedge against such currency fluctuations shall not exceed 100% of the Net Asset Value of the relevant class so that a class will not be leveraged as a result of these transactions. All such transactions will be clearly attributable to a specific class and currency exposures of different class will not be combined or offset. The currency exposure of Investments will not be allocated to separate classes.

The share capital of each Fund shall at all times equal its Net Asset Value. The currency of designation of each class of Participating Shares will be determined by the Directors. Ownership will be evidenced by the entry on the Company's register of Shareholders, and completion notices will be sent to the Shareholder once the register has been written up. Share certificates will only be issued if specifically requested.

### Investment Objectives and Policies

#### General

The specific investment objectives and policies for each Fund will be formulated by the Directors at the time of the creation of the Fund and set out in the relevant Supplement.

The primary investment objective of the Company is to achieve long term capital appreciation while attempting to limit investment risk. The Company will seek to achieve this objective on behalf of each Fund through the careful selection of investment advisers, which are, in the opinion of the Investment Manager, of the highest quality with a proven track record. The choice of advisers will be based on their knowledge of the local market conditions, their investment methodology and their experience.

Any alteration to the investment objectives or any material alteration to the investment policies of any Fund will be subject to the prior approval on the basis of a majority of votes cast at a general meeting of Shareholders of the relevant Fund. The Company will give Shareholders reasonable prior written notice of any change in the investment objectives or material changes to the investment policies to enable shareholders to redeem their Shares prior to the implementation of such changes.

In accordance with the requirements of the Financial Regulator and the Irish Stock Exchange, the Investment Manager may appoint and replace investment advisers to a Fund from time to time. Shareholders will be notified of any change in the next annual/semi-annual report or other periodic documentation sent to Shareholders.

#### **Efficient Portfolio Management**

The Company may, on behalf of each Fund and subject to the conditions and within the limits laid down by the Financial Regulator, employ techniques and instruments relating to transferable securities for efficient portfolio management purposes. Transactions for the purposes of efficient portfolio management may be undertaken with a view to achieving a reduction in risk, a reduction in costs or an increase in capital or income returns to a Fund and may not be speculative in nature. These techniques and instruments may include investments in financial derivative instruments such as futures (which may be used to manage interest rate risk), options (which may be used to achieve cost efficiencies, for example where the acquisition of the option is more cost effective than purchasing of the underlying asset), swaps and forward currency exchange contracts (both of which may be used to manage currency risk against the Base Currency and/or any functional currency of a Fund). Such techniques and instruments will be utilised in accordance with the requirements of the Financial Regulator. New techniques and instruments may be developed which may be suitable for use by the Company and the Company (subject as aforesaid) may employ such techniques and instruments. A Fund may enter into stock lending, repurchase and/or reverse repurchase agreements for the purposes of efficient portfolio management in accordance with the provisions of the Notices.

#### **Investment Restrictions**

Investments may only be made in accordance with the UCITS Regulations. Details of the investment restrictions applicable to each Fund are contained in Appendix III.

If the investment limitations (other than those relating to borrowings) set out in the UCITS Regulations (specifically paragraphs 10 to 22 (inclusive) of the Financial Regulator UCITS Notice 9) are exceeded for reasons beyond the control of the Company or as a result of the exercise of subscription rights, the Directors must adopt as a priority objective the remedying of that situation taking due account of the interest of the Shareholders.

The Directors may, in relation to any Fund from time to time impose such further investment restrictions as may be compatible with or be in the interest of the Shareholders in order to comply with the laws and regulations of the countries where Shareholders of the Company are located or the Shares are marketed.

It is intended that the Company should, subject to compliance with any applicable restrictions which are imposed by the Irish Stock Exchange, have power to avail itself of any change in the investment restrictions laid down in the UCITS Regulations which would permit investment by the Company in securities, derivative instruments or in any other forms of investment which, as at the date of this Prospectus, is restricted or prohibited under the UCITS Regulations. The Company will give Shareholders at least four weeks prior written notice of its intention to avail itself of any such change which is material in nature. The Prospectus will be updated in any such event.

#### **Borrowing Restrictions**

The Company may, at the discretion of the Directors, borrow up to 10% of the net assets of each Fund for temporary (non-leveraging) purposes and the Company may give a pledge (where the delivery of assets is not required) or charge over the assets of a Fund in order to secure such borrowings.

### **Distribution Policy**

The Directors are empowered to declare and pay dividends on any class of Shares in the Company. The dividend policy in respect of each Share class shall be set out in the relevant Supplement.

### **Risk Factors**

Potential investors should consider the following risk factors before investing in the Company. Additional risk factors, if any, for various Funds will be set out in the relevant Supplement.

#### **General**

1. Prospective investors should be aware that the price of Shares and the income derived therefrom can, in common with other investments, go down as well as up. There is no assurance that the investment objective of a Fund will be actually achieved.
2. The Company is structured as an umbrella fund with segregated liability between its Funds. As a matter of Irish law, the assets of one Fund will not be available to meet the liabilities of another. However, the Company is a single legal entity that may operate or have assets held on its behalf or be subject to claims in other jurisdictions that may not necessarily recognise such segregation.
3. A listing on The Irish Stock Exchange will not necessarily provide liquidity to investors.
4. Given the difference in the Subscription and Redemption Prices (due to the initial charge), investment in the Company should be viewed as a medium to long term investment.
5. The Company may employ various investment techniques, such as futures contracts, options, swaps and financial currency exchange contracts (together "derivatives") for the purposes of efficient portfolio management of a Fund or for investment purposes (where such intention is disclosed in the Fund's investment policy). Such instruments involve certain special risks and may expose investors to a high risk of loss. The low initial margin deposits normally required to establish a position permit a high degree of leverage. As a result, a relatively small movement in the price of the underlying securities may result in a profit or a loss which is high in proportion to the amount of funds actually placed as initial margin and may result in a further loss exceeding any margin deposited. These derivative positions may be executed either on exchange or over the counter. Investment in derivatives involves exposure to normal market fluctuations and the other risks inherent in investment in securities. In addition, certain other risks arise; these include lack of liquidity or lack of correlation between the change in the value of the underlying asset and that of the value of the Company's derivatives. These techniques may not always be possible or effective in enhancing returns or mitigating risk. The Company's investment in over the counter derivatives is subject to the risk of counterparty default. In addition, the Company may have to transact with counterparties on standard terms, which it may not be able to negotiate. To the extent that the Company invests in derivatives, the Company may take a credit risk with regard to parties with whom it trades and may bear the risk of settlement default. The use of derivatives will also expose the Company to the risk that the legal documentation of the contract may not accurately reflect the intention of the parties.

#### **Exchange Control**

Under current legislation in Ireland, there are no exchange control laws or regulations in effect which would affect either the Company or Shareholders.

## MANAGEMENT AND ADMINISTRATION

The Directors control the affairs of the Company and are responsible for the overall investment policy, which will be determined by them in accordance with UCITS Regulations, this Prospectus and the Articles.

### Directors

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

*Alberto Benbassat.* Mr Benbassat is a general partner of Genevalor Benbassat & Cie since 1989. From 1983 until 1989, Mr Benbassat was portfolio manager and became vice-president of J. P. Morgan (Suisse) S.A. with responsibility for portfolios of mixed global investments with a value in excess of US\$200 million, having been credit manager at Paribas (Suisse) S.A. from 1981 to 1983. Mr Benbassat holds a degree in industrial and economic sciences from the University of Geneva, together with an MBA with honours from the New York University.

*Stéphane Benbassat.* Mr Stéphane Benbassat joined Genevalor Benbassat & Cie in 1998 and has been a general partner since October 1999. From 1996 to 1998, Mr Benbassat was an attorney in the Legal and Banking Department of the law firm Lalive & Partners in Geneva. Prior to that Mr Benbassat worked as a foreign lawyer in the Business and Finance Department of the law firm Morgan, Lewis & Bockius LLP in New York. Mr Benbassat holds a law degree from the University of Geneva and a diploma in International Money Management from the Institut Supérieur de Formation Bancaire in Geneva. He also holds a Swiss Attorney's Licence.

*Mr Gerald J.P. Brady.* Mr Brady was Country Head of Bank of Bermuda in Ireland, from commencement of operations in 1995 until his departure in May, 2004, following the acquisition of the Bank by HSBC. Mr. Brady joined Bank of Bermuda in Bermuda in 1986 as Global Head of Internal Audit and subsequently served as Country Head of the Bank's Cayman operations from 1990 until his return to Dublin in 1995. Before joining Bank of Bermuda, Mr Brady served in several capacities for KPMG Dublin. He is a Fellow of the Institute of Chartered Accountants in Ireland (FCA), a Chartered Financial Analyst (CFA), a member of the Institute of Directors and holds a first class honours degree in Economics from Queens University in Belfast, having graduated first in his faculty. He also serves as director of a number of companies, several of which are listed on international stock exchanges.

*Daniel Morrissey.* Mr Morrissey is a partner in the law firm, William Fry, Dublin. He was educated at University College Dublin graduating with a Bachelor of Civil Law degree in 1976. He was subsequently awarded a Diploma in European Law by University College Dublin and qualified as a solicitor in 1977. He has been a partner in William Fry since 1981 specialising in corporate law initially with an emphasis on cross-border mergers/acquisitions and joint ventures and since 1992 he has been concentrating on financial services related activities. Mr Morrissey is a non-executive director of a number of Irish companies, a former chairman of the Dublin Funds Industry Association and a member of its Council from 2000 to 2006.

*David T. Smith.* David Smith was appointed a Partner of Equus Asset Management Partners, Hamilton, Bermuda in March, 2003. Equus specialises in wealth management services for high net worth individuals and eligible investors. Prior to that he was employed by Bank of Bermuda from 1982 – 2003, where he specialized in structuring and servicing of global investment funds. He was a member of the Bank's global senior management team and his final position was based in Hong Kong where he was responsible for global sales and distribution for the Global Funds Services Division. He is a chartered secretary "ACIS" and a member of Bermuda International Business Association "BIBA".



### **Investment Manager**

The Company has appointed Bank Medici AG as its investment manager pursuant to the provisions of the Investment Management Agreement. The Investment Manager in accordance with the requirements of the Financial Regulator may appoint and will have the discretion to replace investment advisers to the different Funds from time to time and may delegate the investment decision making to such investment advisers provided such investments are made in accordance with the investment objectives and policies described in this Prospectus and the relevant Supplement.

The Investment Management Agreement contains indemnities in favour of the Investment Manager excluding matters arising by reason of its fraud, bad faith, wilful default or negligence in the performance of its duties and obligations and provisions regarding the Investment Manager's legal responsibilities.

The Investment Management Agreement provides that the appointment of the Investment Manager will continue in force unless and until terminated by either party giving to the other not less than six months written notice, although in certain circumstances (e.g. the insolvency of either party, unremedied breach after notice etc), the Agreement may be terminated without notice.

Bank Medici AG was incorporated in Austria on 9 March 1994 and was granted a full banking licence by the Austrian Financial Authority on 3 December 2003. The Investment Manager's institutional minority shareholder is Bank Austria Creditanstalt, Austria's largest bank and a member of the Unicredit Group.

### **The Administrator, Registrar, Transfer Agent and Secretary**

The Directors have appointed HSBC Securities Services (Ireland) Limited as Administrator of the Company. The Administrator will, subject to the overall supervision of the Directors, be responsible for the day to day administration of the Company including the issue and redemption of Shares, the payment of dividends and the valuation of the Company's assets. The Administrator was incorporated in Ireland as a limited liability company on 29 November 1991 and is an indirect wholly owned subsidiary of HSBC Holdings plc, a public limited company incorporated in England. As at 30 June 2006 HSBC Holdings plc has consolidated gross assets of approximately US\$1,738 billion. The Administrator acts as the Secretary to the Company.

The Articles of Association and the Administration Agreement provide that, with the consent of the Company, the Administrator may delegate some or all of its duties to other parties.

The Administration Agreement contains indemnities in favour of the Administrator excluding matters arising by reason of its fraud, wilful default and negligence in the performance of its duties and obligations and provisions regarding the Administrator's legal responsibilities.

The Administration Agreement provides that the appointment of the Administrator will continue in force unless and until terminated by either party giving to the other not less than ninety days written notice, although in certain circumstances (e.g. the insolvency of either party, unremedied breach after notice etc.) the Agreement may be terminated without notice.

### **Custodian**

The Directors have appointed HSBC Institutional Trust Services (Ireland) Limited to act as Custodian for the Company pursuant to the Custodian Agreement, under which it will provide custodial and trustee services in respect of the assets of the Company.

The Custodian Agreement contains indemnities in favour of the Custodian excluding matters arising by reason of its fraud, wilful default and negligence in the performance of its duties and obligations and provisions regarding the Custodian's legal responsibilities.

The Custodian Agreement provides that the appointment of the Custodian will continue in force unless and until terminated by either party giving to the other not less than ninety days prior written notice. In certain circumstances (e.g. the insolvency of either party, unremedied breach after notice, etc), the Agreement may be terminated immediately by notice in writing by either party to the other provided, however, that the Custodian may not cease to act until such time as a new custodian has been appointed with the prior approval of the Financial Regulator. Pursuant to the Articles, all the Shares of the Company shall be redeemed if the Custodian has served notice of its intention to retire under the terms of the Custodian Agreement (and has not revoked such notice) and no new custodian has been formally approved and appointed within three months of the date of service of such notice.

The Custodian was incorporated in Ireland on 29 November 1991 as a limited liability company and its registered office is at HSBC House, Harcourt Centre, Dublin 2. The Custodian is ultimately an indirect subsidiary of HSBC Holdings plc. The Company has been approved by the Financial Regulator to act as Custodian for the Company.

The main activity of the Custodian is to act as custodian of the assets of collective investment schemes. Under the terms of the Custodian Agreement, the Custodian has full power to delegate the whole or part of its custodial functions provided that the Custodian's liability shall not be affected by the fact it has entrusted to a third party some or all of the assets in its safekeeping.

#### **Distributor**

The Directors have appointed Thema Asset Management Limited, to act as global distributor for the Company pursuant to the Distribution Agreement, under which it will act as Distributor for the Shares of the Company.

Thema Asset Management Limited was incorporated in the British Virgin Islands on 8 February 1991 and is authorised and regulated in the conduct of its business by the Registrar of Mutual Funds in the British Virgin Islands. Thema Asset Management Limited has an issued share capital of US\$50,000 and net shareholders funds as at 30 June 2000 of approximately US \$307m.

The Distribution Agreement provides that the Distributor shall have full authority to delegate the whole or any part of its distribution functions to sub-distributors. The Distribution Agreement also provides that the appointment of the Distributor will continue in force unless or until terminated by either party giving to the other not less than 180 days notice, although in certain circumstances, (e.g. a serious breach, violation of regulatory obligations) the Distribution Agreement may be terminated immediately by notice in writing by either party to the other.

#### **Promoter**

Genevalor, Benbassat & Cie currently acts as promoter of the Company. Genevalor, Benbassat & Cie is an international organisation, headquartered in Geneva specialising in investment in the United States, European and Japanese equity markets and fixed income securities, foreign exchange management and corporate administration. Genevalor, Benbassat & Cie is a Swiss incorporated limited partnership in which Mr Alberto Benbassat and Mr Stéphane Benbassat are general partners. Genevalor, Benbassat & Cie is a member of the Swiss Money Managers Association (Membre Association Suisse des Gerants De Fortune (ASG)) which is a self-regulatory body.

### Legal Advisers

The Company is advised as to matters of Irish law by William Fry, Solicitors, Fitzwilton House, Wilton Place, Dublin 2, Ireland.

### Auditors

The Company has appointed PricewaterhouseCoopers, Chartered Accountants of Georges Quay, Dublin 2, Ireland, as its auditors.

### Conflicts of Interest

The selection by the Investment Manager of any investment adviser and the determination of such investment adviser's remuneration will be as a result of arm's length negotiation and will be the best the Investment Manager is able to negotiate with the investment advisers, any rebates or refunds being applied for the exclusive benefit of the relevant Fund and its Shareholders.

Due to the widespread operations undertaken or which in the future may be undertaken by the Investment Manager, the Administrator, the Custodian, the Distributor and any investment adviser and their respective holding companies, subsidiaries and affiliates (each an "interested party") conflicts of interest may arise. The Investment Manager, the Administrator, the Custodian, the Distributor and any investment adviser may provide similar services to others, provided that the services they provide to the Company are not impaired thereby. Each will at all times have regard in such event to its obligations to act in the best interest of the Company, so far as practicable, having regard to its obligations to other clients, when undertaking any investments where conflicts of interest may arise and they will resolve such conflicts fairly having regard to all the circumstances. An interested party may acquire or dispose of any investment notwithstanding that the same or similar investments may be owned by or for the account of or otherwise connected with the Company. Furthermore, an interested party may acquire, hold or dispose of investments notwithstanding that such investments had been acquired or disposed of by or on behalf of the Company by virtue of a transaction effected by the Company in which the interested party was concerned provided that the acquisition or disposal by an interested party of such investments is effected on normal commercial terms as if negotiated on an arm's length basis and the investments held by the Company are acquired on the best terms reasonably obtainable having regard to the interests of the Company. An interested party may deal with the Company as principal or as agent, provided that any such dealings are carried out as if effected on normal commercial terms negotiated on an arm's length basis, *i.e.*, if:-

- (a) a certified valuation of a transaction by a person approved by the Custodian as independent and competent is obtained; or
- (b) the transaction is executed on best terms on an organised investment exchange in accordance with the rules of such exchange; or
- (c) the transaction is executed on terms which the Custodian is satisfied are normal commercial terms negotiated at arm's length or in a manner which the Custodian considers will give rise to such normal commercial terms.

In the event that a conflict of interest does arise, the Directors and the Investment Manager will endeavour to ensure that it is resolved fairly and that investment opportunities are allocated on a fair and equitable basis.

### **Meetings**

Shareholders in the Company will be entitled to attend and vote at general meetings of the Company. The Annual General Meeting of the Company will normally be held in Ireland within six months of the end of each financial year.

### **Reporting**

The Company's accounting period will end on 31 December in each year.

The Company will prepare an annual report and audited financial statements which will be available within four months of the end of the financial period to which they relate. Copies of the unaudited half yearly reports will also be available within two months of the end of the half year period to which they relate. Such reports and accounts will contain a statement of the value of the net assets of each Fund and of the investments comprised therein as at the year end or the end of such semi-annual period.

Copies of this Prospectus, Memorandum and Articles of Association, annual and half-yearly reports of the Company may be obtained free of charge upon request from the Administrator and the Distributor at the address given under the Directory.

## **SUBSCRIPTIONS AND REDEMPTIONS**

### **Subscription for Shares**

Under the Articles the Directors are given authority to effect the issue of Shares of any class and, in accordance with the requirements of the Financial Regulator, to create new classes of Shares and have absolute discretion to accept or reject in whole or in part any application for Shares. In the event of the Directors rejecting an application, the application monies (or relevant part thereof) will be returned where permitted by Irish anti-money laundering legislation, as soon as practicable after such rejection, by wire or in such other manner as the Directors may decide without interest and at his risk and expense. Shares shall be issued at the Net Asset Value per class per Share plus any subscription charges as specified in the relevant Supplement.

Failure to provide the original Application Form by such time as specified in the relevant Supplement may, at the discretion of the Directors, result in the cancellation of any allotment of Participating Shares in respect of such application. Under the Articles, the Directors are given authority to effect the issue of Participating Shares and have absolute discretion to accept or reject in whole or in part any application for Participating Shares without assigning any reason therefor. The Directors have power to impose such restrictions as they think necessary to ensure that no Participating Shares are acquired by any person which might result in the legal and beneficial ownership of Participating Shares by persons who are not Qualified Holders or expose the Company to adverse tax or regulatory consequences.

All new Participating Shares will rank *pari passu* with existing Participating Shares in the relevant Fund.

Subscription monies are payable in the relevant currency for a Fund at the time specified in the relevant Supplement. However, the Company may accept payment in such other currencies as the Company may agree and such currencies will be converted by the Administrator at the prevailing exchange rate available to the Administrator.

Contract notes will generally be sent to applicants within five Business Days of the Dealing Day, (provided that approved prices are available to the Administrator) setting out details of the Participating Shares which have been provisionally allotted.

Confirmation of ownership will be sent to all applicants upon payment of subscription monies in cleared funds and receipt of the original application together with any documentation required by the Administrator.

Share certificates will only be issued at the specific request of an applicant for Participating Shares in a Fund and will be sent at the Shareholder's risk by ordinary post to the address of the Shareholder or first named shareholder where there are joint Shareholders. The Administrator may charge an administrative fee of €50 to an applicant for each share certificate issued.

Details in relation to the Minimum Holding and minimum subscription amounts for each Fund is set out in the relevant Supplement for that Fund.

### **Money Laundering**

Applicants subscribing for Shares in the Company are advised that the Shares are issued subject to the provisions of the Company's Memorandum and Articles of Association, a summary of which are contained in the section headed "General Information".

Measures aimed towards prevention of money laundering within Ireland will require a subscriber to verify his identity, address and source of funds to the Company and to the Administrator. This

obligation is absolute in respect to source of funds except where the application is made through a recognised intermediary. This exception will only apply if the intermediary concerned is within a country recognised by Ireland as having equivalent anti-money laundering regulations to Ireland and has itself carried out the relevant identification and given the required assurance to the Company and to the Administrator.

The Administrator will notify applicants, as set out in the application form, what proof of identity is required. By way of example, an individual will be required to produce a copy of a passport or identification card duly certified by a notary public together with two original or certified copies of utility bills or bank statements. In the case of corporate applicants this will require production of certified copies of the certificate of incorporation (and any change of name) and of the memorandum and articles of association (or equivalent) and a copy of the authorised signatories list, and of the names and residential and business addresses of all directors and beneficial owners. Directors and substantial beneficial owners will also be required to verify their identity, address and date of birth.

The details given above are by way of example only and the Administrator will request such information and documentation as it considers is necessary to verify the identity of an applicant. In addition, pursuant to the Savings Directive (as defined under the heading "European Union Taxation of Savings Income Directive" below) the Administrator will require applicants who are individuals or "residual entities" (as that term is used in the Savings Directive) to provide documentary evidence of their tax residency including details of their tax identification number. In the event of delay or failure by the applicant to produce any information required for verification purposes, the Administrator may refuse to accept the application and the subscription monies relating thereto or may refuse to process a redemption request until proper information has been provided. The redemption proceeds will not be paid to a third party account.

Each applicant for Shares acknowledges that the Administrator shall be held harmless against any loss arising as a result of failure to process his application for, or request for the redemption of, Shares if such information and documentation as has been properly requested by the Administrator has not been provided by the applicant.

The details given above are by way of example only, and the Administrator reserves the right to request such documentation as is necessary to verify the identity, address and source of funds of the applicant.

#### **European Union Taxation of Savings Income Directive**

On 3 June 2003, the European Commission published a new directive (EC Directive 2003/48/EC) regarding the taxation of savings income (the "Savings Directive"). As a result, Member States are required to provide to the tax authorities of another EU member state details of payments of interest (which may include distributions by collective investment funds) or other similar income paid by a person within its jurisdiction to an individual resident in that other EU member state, subject to the right of certain EU member states to opt instead for a withholding system in relation to such payments. Ireland has opted for exchange of information rather than a withholding tax system.

Accordingly, the Custodian, Administrator or such other entity considered a "paying agent" for the purposes of the Savings Directive may be required to disclose details of payments of interest or other similar income to investors in the Company to the Irish Revenue Commissioners. In that regard, the Custodian, Administrator or such other entity considered a "paying agent" will require proof of identity, residence and relevant tax documentation from individual investors. Failure to provide the above information may result in the refusal of an application for a subscription or a request for a redemption.

### Redemption of Shares

Shareholders may, in accordance with the procedures set out in the relevant Supplement redeem their Shares on any Dealing Day. The Redemption Price will be denominated in the relevant base currency for the Fund and will be calculated by reference to the Net Asset Value per Share per class on the Dealing Day.

If total requests for redemption on any Dealing Day for any Fund exceed 10% of the total number of Shares in that Fund outstanding, each redemption request in respect of Shares in such Fund may, if in their sole discretion the Directors acting in good faith believe it shall be necessary or desirable in order not to prejudice the interests of the Shareholders not requesting redemption or on grounds of liquidity or other like reason, be reduced "pro rata." Any redemption request so reduced shall be effected in priority to subsequent redemption requests on the following Dealing Day, subject always to the foregoing provisions. If redemption requests are so carried forward, the Directors shall ensure that the Shareholders affected thereby are promptly informed.

### Total Redemption

All of the Shares of any Fund may be redeemed if:-

- (a) the holders of 75% in value of the issued Participating Shares of the Fund approve of the redemption at a meeting of the Fund of which not more than twelve and not less than four weeks notice has been given; or
- (b) On any Dealing Day falling after the first anniversary of the issue of Shares in any Fund, where the Net Asset Value of that Fund falls below the equivalent of €1,000,000 for a period of more than 90 days.

All of the Shares of the Company shall be redeemed and authorisation by the Financial Regulator will be revoked if the Custodian has served notice of its intention to retire under the terms of the Custodian Agreement (and has not revoked such notice) and no new custodian has been formally approved and appointed within three months of the date of service of such notice.

### Transfers

Shares are (save as hereinafter specified) freely transferable and may be transferred by instrument in writing in a form approved by the Directors provided always that the transferee completes an Application Form to the satisfaction of the Administrator and furnishes the Administrator with any documents required by the Administrator. In addition, the Directors may decline to register any transfer of a Share where they are aware or believe that such transfer would or might result in the beneficial ownership of such Share by a person who is not a Qualified Holder or expose the Company or the Shareholders as a whole to adverse tax or regulatory consequences or where the transfer would result in either the transferor or transferee holding Shares with a value of less than the Minimum Holding.

### Temporary Suspensions

The Company may temporarily suspend the determination of the Net Asset Value of any Fund and the issue and repurchase of Shares of any Fund:-

- (a) during the whole or any part of any period when any market on which a significant portion of the Investments of the relevant Fund from time to time are ordinarily quoted, listed, traded or dealt in is closed (other than for customary weekend or ordinary holidays) or during which dealings therein are restricted or suspended or trading is restricted;

- (b) during the whole or any part of any period when, as a result of political, economic, military or monetary events or other circumstances outside the control, responsibility or power of the Directors during which, in the opinion of the Directors, any disposal or valuation of Investments of the relevant Fund is not reasonably practicable without being seriously detrimental to the interests of the owners of Shares in general or the owners of Shares of the relevant Fund;
- (c) when for any reason, including a breakdown in the means of communication normally employed in determining the value of the Investments of the relevant Fund, such value cannot be properly and fairly ascertained; or
- (d) during any period when the Company is unable to repatriate funds for the purposes of making redemption payments or when such payments cannot in the opinion of the Directors be effected at normal prices or rates of exchange, or during which any transfer of funds involved in the realisation or acquisition of investments or when payments due on redemption cannot, in the opinion of the Directors, be effected at normal rates of exchange or where the Directors envisage that there will be difficulties in the transfer of monies or assets required for subscriptions, redemptions or lending; or
- (e) when the Company has issued a notice of general meeting to the Shareholders at which a resolution to wind up any Fund of the Company is to be considered, provided that such suspension shall be in the best interest of Shareholders.

The Company will immediately notify the Financial Regulator and The Irish Stock Exchange of any event of suspension set out above and, if in the opinion of the Directors any such suspension is likely to exceed fourteen days, notification of the suspension shall be published in the Financial Times (and, in Switzerland, Le Temps, and FOSS, and in Germany, Handelsblatt, and such other publications as the Directors shall determine from time to time) for the information of Shareholders.

#### Conversion

Shareholders may convert between Funds to maximise the potential of different market conditions relating to the different Funds. This will be effected by way of conversion of the holding of Shares in one Fund to the Shares of another Fund. Shareholders will be able to apply to convert on any Dealing Day such minimum amount in value of their holding of Shares in any Fund (the "Original Fund") as may be specified by the Directors to Shares of another Fund which are being offered at that time (the "New Fund"). Such conversion may be effected by giving notice in proper form to the Administrator. The conversion will take place at the next Valuation Point following the receipt of such notice in proper form by the Administrator. The minimum amount (if any) in value of Shares which may be converted from the Funds will be such amount as may be set in relation to the Fund into which the Shareholder wishes to convert. The Articles permit the Company (or the Administrator on its behalf) to refuse to accept such application in any situation where the Company could refuse an application for Shares or a redemption request. If the application is refused, such refusal shall be without prejudice to the rights of the Shareholder to have his Shares redeemed. No exchanges will be made during any period when the rights of Shareholders to require the redemption of their Shares is suspended. The general provisions on procedures relating to subscription and redemption will apply equally to conversion.

The number of Shares in any New Fund to be issued on an exchange will be calculated in accordance with the following formula:-

$$A = \frac{B \times (C \times D)}{E}$$



where:

- A = the number of Shares of the New Fund to be allotted;
- B = the number of Shares of the Original Fund to be converted;
- C = the Net Asset Value per Share of the Original Fund as at the relevant Dealing Day;
- D = the currency conversion factor determined by the Administrator as representing the effective rate of exchange of settlement on the relevant Dealing day applicable to the transfer of assets between the relevant Funds where the base currencies of the relevant Funds are different or, where the base currencies of the relevant Funds are the same,  $D = 1$ ; and
- E = the Net Asset Value per Share for the New Fund on the relevant Dealing Day plus the conversion charges details of which are set out below.

Where there is a conversion of Shares, Shares of the New Fund will be allotted and issued in respect of and in proportion to the Shares of the Original Fund in the proportion A to B.

The conversion charge shall not at any time exceed 0.5% of the Net Asset Value of the converted Shares.

## FEES AND EXPENSES

### General

All fees and expenses relating to the establishment of the Company, the listing of the Shares on The Irish Stock Exchange, the cost of printing this Prospectus and other promotional expenses and the fees of the legal advisers to the Company, have been borne by the Company.

The Company shall be responsible for all Value Added Tax payable on all fees and expenses payable by it to third parties.

The Company will pay out of the assets of each Fund:-

- (a) the fees and expenses payable to the Administrator and the Custodian appointed in respect of such Fund;
- (b) the fees and expenses payable to the Investment Manager and advisers appointed in respect of such Fund;
- (c) the fees and expenses payable to the Directors;
- (d) fees in respect of publication and circulation of details of the Net Asset Value;
- (e) stamp duties, taxes, company secretarial fees, brokerage or other expenses incurred on transactions involving the acquiring and disposing of Investments;
- (f) the fees and expenses of the auditors, tax and legal advisers and the fees connected with the listing on The Irish Stock Exchange;
- (g) the Financial Regulator's industry funding levy;
- (h) fees and expenses in connection with the distribution of Shares, translation of documents and/or costs of registration of the Company in jurisdictions outside Ireland;
- (i) the fees of any paying agent;
- (j) the costs of printing and distributing reports, accounts and any explanatory memoranda, publishing prices and any costs incurred as a result of periodic updates of the Prospectus will also be paid by the Company.
- (k) Any other fees and expenses relating to the management (including managing the Company's currency hedging policy) and administration of the Company or attributable to the Company's investments.

Where an expense is not considered by the Directors to be attributable to any one Fund, the expense will normally be allocated to all Funds pro rata to the value of the net assets of the relevant Funds. In the case of any fees or expenses of a regular or recurring nature, such as audit fees, the Directors may calculate such fees and expenses on an estimated figure for yearly or other periods in advance and accrue the same in equal proportions over any such period.

### Custodian's Fees

The Custodian is entitled to such fees, at such rates and such terms as may be agreed with the Company and set out in the relevant Supplement. The Custodian is also entitled to such out-of-pocket expenses properly incurred by it in carrying out its duties.

#### **Administrator's Fees**

The Administrator is entitled to such fees, at such rates and such terms as may be agreed with the Company and set out in the relevant Supplement. The Administrator is also entitled to such out-of-pocket expenses properly incurred by it in carrying out such duties.

#### **Investment Manager's Fees**

Fees payable to the Investment Manager in respect of any Fund, shall be set out in the relevant Supplement for that Fund.

The various Funds may also incur advisory fees charged by the respective investment advisers or managed accounts in which they may invest which fees shall be charged by the Investment Manager to the relevant Fund. Such fees will be the best the Investment Manager is able to negotiate with the investment advisers, any rebates or refunds being applied for the exclusive benefit of the relevant Fund and its shareholders.

The Investment Manager is entitled to be reimbursed out of the assets of the relevant Fund for any fees and expenses paid to investment advisers to the Funds. The fees payable by the Investment Manager to any investment adviser shall be set out in the relevant supplement for a Fund.

If the Investment Manager acquires units of UCITS and other collective investment schemes that are managed directly or indirectly by the Investment Manager itself or a company, with which it is linked by way of common management or control or by way of a direct or indirect stake of more than 10% of the capital or votes, no management fee may be charged to the Company's assets in respect of such investments. In addition, the Investment Manager may not charge to the Company any subscription or redemption commissions received from the relevant underlying collective investment scheme.

#### **Distributor's Fees**

The Distributor is entitled to such fees, at such rates and such terms as may be agreed with the Company and set out in the relevant Supplement. The Distributor is also entitled to such out-of-pocket expenses properly incurred by it in carrying out such duties.

#### **Directors' Fees**

The Directors shall be entitled to a fee and remuneration for their services at a rate to be determined from time to time by the Directors provided that such fee will not exceed the sum of €50,000 per annum per Director without the approval of the Board. All Directors will be entitled to reimbursement by the Company of expenses directly incurred in attendance at Board Meetings. Directors' fees and expenses will be charged to the Funds pro rata to their Net Asset Values.

#### **Initial Charge**

The Articles authorise the Directors to impose an initial charge on the issue of Participating Shares in any Fund up to a maximum of 5% of the Subscription Price, such fee being payable by applicants to defray sales and marketing costs. The initial charge in respect of any Fund will be outlined in the relevant Supplement.

#### **Redemption Fee**

The Articles authorise the Directors to charge a fee on the redemption of Participating Shares in any Fund up to a maximum of 1% of the Redemption Price, such fee being payable to the Company. The Directors will give one month's written notice to Shareholders of its intention to

charge redemption fees. Any redemption fee to be charged will be set out in the relevant Supplement.

**Conversion Charge**

The Articles authorise the Directors to charge a fee on the conversion of Participating Shares in one Fund to Participating Shares in another Fund of up to 0.5% of the Net Asset Value of the Shares converted.

**Shareholder Servicing**

The Company may appoint further agents to assist with Shareholder servicing, who may be paid at normal commercial rates out of the assets of the relevant Fund.

## TAXATION

### General

*The information given is not exhaustive and does not constitute legal or tax advice. Prospective investors should consult their own professional advisers as to the implications of their subscribing for, purchasing, holding, conversion or disposing of Shares under the laws of the jurisdictions in which they may be subject to tax.*

The following is a brief summary of certain aspects of Irish taxation law and practice relevant to the transactions contemplated in this Prospectus. It is based on the law and practice and official interpretation currently in effect, all of which are subject to change.

Dividends, interest and capital gains (if any) which the Company may receive with respect to its Investments (other than securities of Irish issuers) may be subject to taxes, including withholding taxes, in the countries in which the issuers of Investments are located. It is anticipated that the Company may not be able to benefit from reduced rates of withholding tax in double taxation agreements between Ireland and such countries. If this position changes in the future and the application of a lower rate results in a repayment to the Company, the Net Asset Value will not be restated and the benefit will be allocated to the existing Shareholders rateably at the time of the repayment.

### Irish Taxation

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

#### Definitions

For the purposes of this section, the following definitions shall apply.

#### “Irish Resident”

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

#### Residence – Individual

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

- spends 183 days or more in Ireland in that twelve month tax year; or
- has a combined presence of 280 days in Ireland, taking into account the number of days spent in Ireland in that twelve month tax year together with the number of days spent in Ireland in the preceding twelve month tax year. Presence in a twelve month tax year by an individual of not more than 30 days in Ireland will not be reckoned for the purpose of applying the two year test. Presence in Ireland for a day means the personal presence of an individual at the end of the day (midnight).

### Residence – Company

Irish tax legislation provides that a company incorporated in Ireland will be regarded for all tax purposes as being resident in Ireland. Irrespective of where a company is incorporated a company which has its central management and control in Ireland is resident in Ireland. A company which does not have its central management and control in Ireland but which is incorporated in Ireland is resident in Ireland except where:-

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

or

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

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

#### **“Irish Ordinary Resident”**

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

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

An individual who has been ordinarily resident in Ireland ceases to be ordinarily resident at the end of the third consecutive tax year in which s/he is not resident.

#### **“Exempted Irish Investor”**

means:

- a pension scheme which is an exempt approved scheme within the meaning of Section 774 of the Taxes Act or a retirement annuity contract or a trust scheme to which Section 784 or 785 of the Taxes Act applies;
- a company carrying on life business within the meaning of Section 706 of the Taxes Act;
- an investment undertaking within the meaning of Section 739(B)(1) of the Taxes Act;
- a special investment scheme within the meaning of Section 737 of the Taxes Act;
- a unit trust to which Section 731(5)(a) of the Taxes Act applies;
- a charity being a person referred to in Section 739D(6)(f)(i) of the Taxes Act;
- a qualifying management company within the meaning of Section 734(1) of the Taxes Act;
- a specified company within the meaning of Section 734(1) of the Taxes Act;
- a person who is entitled to exemption from income tax and capital gains tax under Section 784A(2) of the Taxes Act where the Shares held are assets of an approved retirement fund or an approved minimum retirement fund;
- a qualifying savings manager within the meaning of Section 848B of the Taxes Act in respect of Shares, which are assets of a special savings incentive account within the meaning of Section 848C of the Taxes Act;

- a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 787I of the Taxes Act and the Shares are assets of a PRSA;
- a credit union within the meaning of Section 2 of the Credit Union Act, 1997;
- an Irish Resident company investing in a money market fund being a person referred to in Section 739D(6)(k)(I) of the Taxes Act; or
- any other Irish Resident or Irish Ordinary Resident who may be permitted to own Shares under taxation legislation or by written practice or concession of the Revenue Commissioners without giving rise to a charge to tax in the Company or jeopardising tax exemptions associated with the Company,

provided that they have completed the Relevant Declaration.

**“Intermediary”**

means a person who:-

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

“Ireland” means the “Republic of Ireland”/the State.

**“Relevant Declaration”**

means the declaration relevant to the Shareholder as set out in Schedule 2B of the Taxes Act. The Relevant Declaration for investors who are neither Irish Resident nor Irish Ordinary Resident (or Intermediaries acting for such investors) is set out in the application form accompanying this Prospectus.

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

**The Company**

The Company will be regarded as resident in Ireland for tax purposes if the central management and control of its business is exercised in Ireland and the Company is not regarded as resident elsewhere. It is the intention of the Directors that the business of the Company will be conducted in such a manner as to ensure that it is Irish Resident for tax purposes.

The Directors have been advised that the Company qualifies as an investment undertaking as defined in Section 739B of the Taxes Act. Under current Irish law and practice, on that basis, it is not chargeable to Irish tax on its income and gains.

However, tax can arise on the happening of a “chargeable event” in the Company. A chargeable event includes any distribution payments to Shareholders or any encashment, redemption, cancellation or transfer of Shares or appropriation or cancellation of Shares of a Shareholder by the Company for the purposes of meeting the amount of the tax payable on a gain arising on a transfer of an entitlement to a Share. It also includes the end of an eight year period following the acquisition of the shares regardless of whether the Shares have been encashed, redeemed, cancelled or transferred. No tax will arise on the Company in respect of chargeable events in respect of a Shareholder who is neither Irish Resident nor Irish Ordinary Resident at the time of the chargeable event provided that a Relevant Declaration is in place and the Company is not in possession of any information which would reasonably suggest that the information contained therein is not or, is no longer materially correct. In

the absence of a Relevant Declaration there is a presumption that the investor is Irish Resident or Irish Ordinary Resident. A chargeable event does not include:

- an exchange by a Shareholder, effected by way of an arm's length bargain of Shares in the Company for other Shares in the Company;
- any transactions (which might otherwise be a chargeable event) in relation to Shares held in a recognised clearing system as designated by order of the Irish Revenue Commissioners;
- a transfer by a Shareholder of the entitlement to a Share where the transfer is between spouses and former spouses, subject to certain conditions;
- an exchange of Shares arising on a qualifying amalgamation or reconstruction of the Company with another investment undertaking (within the meaning of Section 739H of the Taxes Act);
- any transaction in relation to, or in respect of, relevant Shares in an investment undertaking which transaction only arises by virtue of a change of court funds manager for that undertaking.

If the Company becomes liable to account for tax if a chargeable event occurs, the Company shall be entitled to deduct from the payment arising on a chargeable event an amount equal to the appropriate tax and/or where applicable, to appropriate or cancel such number of Shares held by the Shareholder or such beneficial owner as are required to meet the amount of tax. The relevant Shareholder shall indemnify and keep the Company indemnified against loss arising to the Company by reason of the Company becoming liable to account for tax on the happening of a chargeable event if no such deduction, appropriation or cancellation has been made.

Please see the "Shareholders" section below dealing with the tax consequences for the Company and the Shareholders of chargeable events in respect of: -

Shareholders who are neither Irish Resident nor Irish Ordinary Resident; and  
Shareholders who are either Irish Resident or Irish Ordinary Resident.

Dividends received by the Company from investment in Irish equities may be subject to Irish dividend withholding tax at the standard rate of income tax (currently 20%). However, the Company can make a declaration to the payer that it is an investment undertaking within the meaning of Section 739B of the Taxes Act beneficially entitled to the dividends which will entitle the Company to receive such dividends without deduction of Irish dividend withholding tax.

## Shareholders

### (i) Shareholders who are neither Irish Resident nor Irish Ordinary Resident

The Company will not have to deduct tax on the occasion of a chargeable event in respect of a Shareholder if (a) the Shareholder is neither Irish Resident nor Irish Ordinary Resident, (b) the Shareholder has made a Relevant Declaration and (c) the Company is not in possession of any information which would reasonably suggest that the information contained therein is not, or is no longer materially correct. In the absence of a Relevant Declaration, tax will arise on the happening of a chargeable event in the Company regardless of the fact that a Shareholder is neither Irish Resident nor Irish Ordinary Resident. The appropriate tax that will be deducted is as described in paragraph (ii) below.

To the extent that a Shareholder is acting as an Intermediary on behalf of persons who are neither Irish Residents nor Irish Ordinary Residents, no tax will have to be deducted by the Company on the occasion of a chargeable event provided that the Intermediary has made a



Relevant Declaration that they are acting on behalf of such persons and the Company is not in possession of any information which would reasonably suggest that the information contained therein is not, or is no longer materially correct.

Shareholders who are neither Irish Residents nor Irish Ordinary Residents and who have made Relevant Declarations in respect of which the Company is not in possession of any information which would reasonably suggest that the information contained therein is not, or is no longer materially correct will not be liable to Irish tax in respect of income from their Shares and gains made on the disposal of their Shares. However, any corporate Shareholder which is not Irish Resident and which holds Shares directly or indirectly by or for a trading branch or agency in Ireland will be liable to Irish tax on income from the Shares or gains made on disposal of its Shares.

Where tax is withheld by the Company on the basis that no Relevant Declaration has been filed with the Company by the Shareholder, Irish legislation provides for a refund of tax only to companies within the charge to Irish corporation tax, to certain incapacitated persons and in certain other limited circumstances.

**(ii) Shareholders who are Irish Resident or Irish Ordinary Resident**

Unless a Shareholder is an Exempted Irish Investor (as defined above), makes a Relevant Declaration to that effect and the Company is not in possession of any information which would reasonably suggest that the information contained therein is not, or is no longer materially correct, tax at the standard rate of income tax (currently 20%) will be required to be deducted by the Company from a distribution made annually or at more frequent intervals to a Shareholder who is Irish Resident or Irish Ordinary Resident. Similarly, tax at the standard rate plus 3% (i.e. currently 23%) will have to be deducted by the Company on any other distribution or gain arising to the Shareholder (other than an Exempted Irish Investor who has made a Relevant Declaration) on an encashment, redemption, cancellation or transfer of Shares by a Shareholder who is Irish Resident or Irish Ordinary Resident.

There are a number of Irish Residents and Irish Ordinary Residents who are exempted from the provisions of the above regime once Relevant Declarations are in place. These are Exempted Irish Investors. Additionally, where Shares are held by the Courts Service no tax is deducted by the Company on payments made to the Courts Service. The Courts Service will be required to operate tax on payments to it by the Company when they allocate those payments to the beneficial owners.

Irish Resident corporate Shareholders who receive distributions (where payments are made annually or at more frequent intervals) from which tax has been deducted will be treated as having received an annual payment chargeable to tax under Case IV of Schedule D of the Taxes Act from which tax at the standard rate has been deducted. In general, such Shareholders will not be subject to further Irish tax on any other payments received in respect of their shareholding from which tax has been deducted. An Irish Resident corporate Shareholder whose Shares are held in connection with a trade will be taxable on any income or gains as part of that trade with a set-off against corporation tax payable for any tax deducted by the Company. In general, non-corporate Shareholders who are Irish Resident or Irish Ordinary Resident will not be subject to further Irish tax on income from their Shares or gains made on disposal of the Shares where tax has been deducted by the Company on payments received. Where a currency gain is made by the Shareholder on the disposal of his/her Shares, such Shareholder may be liable to capital gains tax in the year of assessment in which the Shares are disposed of.

Any Shareholder who is Irish Resident or Irish Ordinary Resident and receives a distribution (where payments are made annually or at more frequent intervals) or receives a gain on an encashment, redemption, cancellation or transfer of Shares from which tax has not been deducted by the Company, may be liable to income tax or corporation tax on the amount of such distribution or gain. Any other Shareholder who is Irish Resident or Irish Ordinary Resident and receives any other distribution or a gain on an encashment, redemption, cancellation or transfer from which tax has not been deducted by the Company may be liable to income tax or corporation tax on the amount of the gain. Whether any further tax is payable by such non-corporate Shareholders will depend on whether their tax returns are correctly filed before the specified return date.

#### **Stamp Duty**

Generally, no stamp duty is payable in Ireland on the issue, transfer, repurchase or redemption of Shares in the Company. Where any subscription for or redemption of Shares is satisfied by the in specie transfer of Irish securities or other Irish property, Irish stamp duty may arise on the transfer of such securities or property.

No Irish stamp duty will be payable by the Company on the conveyance or transfer of stock or marketable securities provided that the stock or marketable securities in question have not been issued by a company registered in Ireland and provided that the conveyance or transfer does not relate to any immovable property situated in Ireland or any right over or interest in such property or to any stocks or marketable securities of a company (other than a company which is an investment undertaking within the meaning of Section 739B of the Taxes Act) which is registered in Ireland.

#### **Capital Acquisitions Tax**

The disposal of Shares will not be subject to Irish gift or inheritance tax (Capital Acquisitions Tax), provided that the Company falls within the definition of an investment undertaking (within the meaning of Section 739B of the Taxes Act) and that: (a) at the date of the gift or inheritance, the donee or successor is neither domiciled nor ordinarily resident in Ireland; (b) at the date of the disposition, either the Shareholder disposing of the Shares is neither domiciled nor ordinarily resident in Ireland or the disposition is not subject to Irish law; and (c) the Shares are comprised in the gift or inheritance at the date of such gift or inheritance and at the valuation date.

## STATUTORY AND GENERAL INFORMATION

1. **Incorporation, Registered Office and Share Capital.**
  - (a) The Company was incorporated in Ireland on 9 May, 1996 as an investment company with variable capital with limited liability and having segregated liability between its Funds under registration number 248741, under the name of "Thema International Fund plc".
  - (b) The registered office of the Company is presently at HSBC House, Harcourt Centre, Harcourt Street, Dublin 2, Ireland.
  - (c) On incorporation the authorised share capital of the Company was US \$60,000 divided into 60,000 Subscriber Shares of a par value of US \$1.00 each and 500,000,000,000 shares of no par value. The number of shares in issue shall not be less than the number which is currently required by law (currently two) nor more than 60,000 Subscriber Shares of a par value of US\$1.00 each and 500,000,000,000 shares of no par value.
  - (d) No capital of the Company is proposed to be issued or is under option or agreed conditionally or unconditionally to be put under option.
  - (e) Neither the Subscriber Shares nor the unclassified shares carry pre-emption rights.

2. **Share Rights**

Save as set out in this Prospectus all Shares shall rank *pari passu*.

### Subscriber Shares

The holders of the Subscriber Shares shall:-

- (a) on a poll be entitled to one vote per Subscriber Share;
- (b) not be entitled to any dividends whatsoever in respect of their holding of Subscriber Shares;
- (c) in the event of a winding up or dissolution of the Company, be entitled, (after payment to the holders of the Participating Shares of a sum equal to the Net Asset Value of the Participating Shares as at the date of commencement to wind up), to payment in respect of the nominal amount paid up thereon out of the assets of the Company, but shall not be entitled to any further or other amount.

- (d) **Participating Shares**

The holders of Participating Shares shall:-

- (a) on a poll be entitled to one vote per Participating Share;
- (b) be entitled to such dividends as the Directors may from time to time declare;
- (c) in the event of a winding up or dissolution of the Company, be entitled, in priority to the holders of the Subscriber Shares, firstly to an amount equal to the Net Asset Value of the Participating Shares of each class or series held at the date of winding up and, after payment to the holders of the Subscriber

Shares of the nominal amount paid up thereon, to participate in surplus assets of the Company (if any).

### **Voting Rights**

Subject to any special terms as to voting upon which any Shares may be issued or may for the time being be held, at any general meeting on a show of hands every holder of Shares who is present in person or by proxy shall have one vote. If a Shareholder demands a poll, every such holder present as aforesaid or by proxy shall have one vote for every share held.

To be passed, resolutions of the Company in general meeting will require a simple majority of the votes cast by the Shareholders voting in person or by proxy at the meeting at which the resolution is proposed.

A majority of not less than 75% of the Shareholders present in person or by proxy and (being entitled to vote) voting in general meetings is required in order to (i) amend the Articles and (ii) wind up the Company.

### **3. Memorandum of Association**

The Memorandum of Association of the Company provides that the Company's sole object is the collective investment in transferable securities and/or other liquid financial assets referred to in Regulation 45 of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2003 (SI No. 211 of 2003), as amended by the European Communities (Undertakings for Collective Investment in Transferable Securities) (Amendment) Regulations 2003 (SI No. 212 of 2003), as same may be amended of capital raised from the public operating on the principle of spreading investment risk in accordance with the UCITS Regulations. The object of the Company is set out in full in Clause 3 of the Memorandum of Association which is available for inspection at the registered office of the Company.

### **4. Articles of Association**

The following section is a summary of the principal provisions of the Articles of Association of the Company not previously summarised in this Prospectus.

#### **Alteration of Share Capital**

The Company may from time to time by ordinary resolution increase its capital, consolidate and divide its shares or any of them into shares of a larger amount, sub-divide its shares or any of them into shares of a smaller amount, or cancel any shares not taken or agreed to be taken by any person. The Company may also by special resolution from time to time reduce its share capital in any way.

#### **Issues of Shares**

- (a) The Participating Shares shall be at the disposal of the Directors and they may (subject to the provisions of the Companies Acts, 1963 to 2005) allot, offer or otherwise deal with or dispose of them to such persons, at such times and on such terms as they may consider in the best interests of the Company.
- (b) The Subscription Price at which Participating Shares shall be issued shall be in accordance with the Net Asset Value as determined in accordance with Articles 16 to 19 of the Articles of Association of the Company (as summarised in paragraph 5 below).

### **Variation of Rights**

Whenever the share capital is divided into different classes of shares, the rights of any class may be varied or abrogated with the consent in writing of the holders of not less than 75% in nominal value of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of that class of shares and the necessary quorum shall be (other than an adjourned meeting) two persons holding shares issued in that class (and at the adjourned meeting the necessary quorum shall be one person holding shares of that class or his proxy).

The special rights attaching to any shares of any class shall not (unless the conditions of issue of such class of shares expressly provide otherwise) be deemed to be varied by the creation or issue of other shares ranking *pari passu* therewith.

### **Segregated Liability between Funds**

The Articles contain the following provisions regarding the operation of a Fund:

- (a) the records and accounts of each Fund shall be maintained separately in the Base Currency of the relevant Fund;
- (b) the assets of each Fund shall belong exclusively to that Fund, shall be segregated in the records of the Custodian from the assets of other Funds, and shall not (save as provided in the Companies Acts 1963 to 2005), be used to discharge directly or indirectly the liabilities of or claims against any other Fund and shall not be available for any such purpose;
- (c) the proceeds from the issue of each class of Share shall be applied to the relevant Fund established for that class of Share, and the assets and liabilities and income and expenditure attributable thereto shall be applied to such Fund subject to the provisions of the Articles;
- (d) where any asset is derived from another asset, the derived asset shall be applied to the same Fund as the assets from which it was derived, and on each revaluation of an asset the increase or diminution in value shall be applied to the relevant Fund;
- (e) in the case where an asset or a liability of the Company cannot be considered as being attributable to a particular Fund, the Directors shall have the discretion, subject to the approval of the Auditors, to determine the basis upon which such asset or liability shall be allocated between the Funds and the Directors shall have power at any time and from time to time subject to the approval of the Auditors to vary such basis, provided that the approval of the Auditors shall not be required in any case where the assets or liability is allocated between all Funds pro rata to their Net Asset Value.

### **Transfers of Shares**

- (a) All transfers of shares shall be effected by an instrument in writing in a form approved by the Directors. No transfer of Subscriber Shares can be effected without the prior written consent of the Company.
- (b) The Directors have power under the Articles to direct that any Subscriber Shares not held by the Investment Manager shall be compulsorily purchased from the holder of such Subscriber Shares.

- (c) The instrument of transfer of a share must be signed by or on behalf of the transferor. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect of such share.
- (d) The Directors may decline to register a transfer of shares unless the instrument of transfer is deposited at the Registered Office together with such evidence as is required by the Directors to show the right of the transferor to make the transfer. The registration of transfers may be suspended for such times and at such periods as the Directors may determine provided always that such registration may not be suspended for more than thirty days in any one year.
- (e) The Directors may decline to register any transfer of a Share where it appears that such transfer would or might result in the beneficial ownership of such Share by a person who is not a Qualified Holder or expose the Fund to adverse tax or regulatory consequences.
- (f) The Directors may decline to register a transfer if it has come to the attention of the Directors that the person to whom the Share is to be transferred would be in breach of any law or requirement of any country or governmental or regulatory authority or is a US Person.

#### **Redemption of Participating Shares**

Any certificate as to the Net Asset Value per Share and/or Redemption Price per Share given in good faith by or on behalf of the Directors is binding on all parties.

A holder of Participating Shares shall have the right (subject as set out herein) to require the Company to redeem all or any part of his holding.

#### **Directors**

- (a) Each Director shall be entitled to such remuneration for his services as the Directors shall from time to time resolve provided that no Director may be paid in excess of a figure set out in the Prospectus without the approval of the Board. The Directors may also be paid, inter alia, for travelling, hotel and other expenses properly incurred by them in attending meetings of the Directors or in connection with the business of the Company. Any Director who devotes special attention to the business of the Company may be paid such extra remuneration as the Directors may determine.
- (b) A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director, or may act in a professional capacity to the Company on such terms as the Directors may determine. No Director shall be disqualified by his office from contracting with the Company in any capacity, nor shall any such contract or arrangement entered into by the Company in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office if he shall declare the nature of his interest. However, with certain exceptions, in the case of obligations incurred on behalf of the Company, and of proposals concerning other companies in which he has a beneficial interest of at least 1%, a Director shall not vote and shall not be counted in the quorum in respect of any contract or arrangement in which he is so interested.

- (c) A Director, notwithstanding his interest, may be counted in the quorum present at any meeting at which he or any other Director is appointed to hold any such office or place of profit under the Company or at which the terms of any such appointment are arranged, and he may vote on any such appointment or arrangement other than his own appointment or the arrangement of terms thereof.
- (d) There is no provision in the Articles requiring a Director to retire by reason of any age limit and no share qualification for Directors.
- (e) The number of Directors shall not be less than two (2) unless otherwise determined by the Company in general meeting by ordinary resolution.
- (f) The quorum for meetings of Directors may be fixed by the Directors and unless so fixed shall be two (2).
- (g) The office of a Director shall be vacated in any of the following circumstances:-
  - (i) if he ceases to be a Director by virtue of any provisions of the Companies Acts 1963 to 2005 or becomes prohibited by law from being a Director;
  - (ii) if he becomes a bankrupt or makes any arrangement or composition with his creditors generally;
  - (iii) if in the opinion of a majority of the Directors he becomes incapable by reason of mental disorder of discharging his duties as a Director;
  - (iv) if he resigns from his office by notice to the Company;
  - (v) if he is convicted of an indictable offence unless the Directors otherwise determine;
  - (vi) he shall for more than six consecutive months have been absent without permission of the Directors from meetings of the Directors held during that period and the Directors pass a resolution that he has by reason of such absence vacated office.

The Company may also, as a separate power, in accordance with and subject to the provisions of the Companies Acts 1963 to 2005, by ordinary resolution of the Shareholders, remove any Director (including a Managing Director or other executive director) before the expiry of his period of office notwithstanding anything to the contrary contained in the Articles or in any agreement between the Company and any such Director.

None of the Directors of the Company have:-

- (i) any unspent convictions in relation to indictable offences;
- (ii) been bankrupt or the subject of an involuntary arrangement, or has had a receiver appointed to any asset of such Director;
- (iii) been a director of any company which, while he was a director with an executive function or within 12 months after he ceased to be 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;

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

#### **Borrowing and Hedging Powers**

The Directors may exercise all borrowing powers on behalf of the Company and mortgage or charge its undertaking, property and assets or any part thereof and to issue debentures, debenture stock or other securities whether outright or as collateral security for any debts or obligations only in accordance with the provisions of the UCITS Regulations or as permitted by the Financial Regulator. The Company, in accordance with the requirements of the Financial Regulator, may enter into hedging transactions in respect of any Investments to protect against exchange risks.

#### **Dividends**

No dividends are payable on the Subscriber Shares. Subject to the provisions of the Companies Acts 1963 to 2005, the Company may by ordinary resolution declare dividends on a class or classes of Participating Shares, but no dividends shall exceed the amount recommended by the Directors. If the Directors so resolve, any dividend which has remained unclaimed for six years shall be forfeited and remitted to the Company.

#### **Distribution of Assets on a Liquidation**

- (a) If the Company shall be wound up, the liquidator shall, subject to the provisions of the Companies Acts 1963 to 2005, apply the assets of the Company on the basis that any liability incurred or attributable to a Fund shall be discharged solely out of the assets of that Fund.
- (b) The assets available for distribution among the members shall then be applied in the following priority:-
  - (i) firstly, in the payment to the holders of the Shares of each class of the Fund a sum in the currency in which that class is designated or in any other currency selected by the liquidator as nearly as possible equal (at a rate of exchange determined by the liquidator) to the Net Asset Value of the Shares held by such holders respectively as at the date of commencement to wind up provided that there are sufficient assets available in the relevant Fund to enable such payment to be made. In the event that, as regards any class of Shares, there are insufficient assets available in the relevant Fund to enable such payment to be made, recourse shall be had to the assets of the Company (if any) not comprised within any of the Funds and not to the assets comprised within any of the Funds;



- (ii) secondly, in the payment to the holders of the Subscriber Shares of sums up to the nominal amount paid thereon out of the assets of the Company not comprised within any Funds remaining after any recourse thereto under subparagraph (b)(i) above. In the event that there are insufficient assets aforesaid to enable such payment to be made, no recourse shall be had to the assets comprised within any of the Funds;
- (iii) thirdly, in the payment to the holders of each class of Shares of any asset remaining in the relevant Fund of any balance being made in proportion to the number of Shares held; and
- (iv) fourthly, in the payment to the holders of the Shares of any balance then remaining and not comprised within any of the Funds such payment being made in proportion to the value of each Fund and within each Fund to the value of each class and in proportion to the number of Shares held in each class.

#### **Restrictions on Shareholders**

The Directors have power to impose such restrictions as they may think necessary for the purpose of ensuring that no Shares in the Company are acquired or held by:-

- (a) any person who is not a Qualified Holder;
- (b) any person in breach of the law or requirements of any country, government or authority or any person or persons in circumstances (whether directly or indirectly affecting such person or persons and whether taken alone or in conjunction with any other persons, connected or not, or any other circumstances appearing to the Directors to be relevant) which, in the opinion of the Directors, might result in the Company incurring any liability to taxation or suffering any other pecuniary, legal or material administrative disadvantage which the Company might not otherwise have incurred or suffered or the Company being required to register under the United States Securities Act of 1933, as amended, or the United States Investment Company Act of 1940, as amended.

If it comes to the notice of the Directors that any Shares are so held by any such non-qualified person as above the Directors may give notice to such person requiring the redemption or transfer of such Shares in accordance with the provisions of the Articles. If any person upon whom such a notice has been served fails to comply with such requirements within 30 days, he shall be deemed to have given a request in writing for the repurchase of all his Participating Shares. A person who becomes aware that he is a non-qualified person is required either to deliver to the Company a written request for redemption of his Shares in accordance with the Articles or to transfer the same to a person who would not thereby be a non-qualified person.

#### **Indemnities**

The Directors, Secretary and other officers of the Company shall be indemnified by the Company against losses and expenses which any such person may become liable to by reason of any contract entered into or any act or thing done by him as such officer in discharge of his duties (other than in the case of negligence or wilful default).

#### **5. Net Asset Value of the Shares**

- (a) Calculation.

The calculation of the Net Asset Value of each Fund and of each class thereof is the responsibility of the Administrator. The Net Asset Value of each Fund and each class thereof will be determined by the Administrator in accordance with the Articles in the currency in which the Fund or class is denominated as at the Valuation Point and will be equal to the value of all the assets of the relevant Fund less all of its liabilities as attributable to each class. To the extent permitted by the UCITS Regulations and the Articles, the Administrator may carry out additional valuations if it considers it desirable to do so having regard to prevailing market conditions, exchange rate volatility and the volume of dealing requests from Investors received by the Administrator. The Administrator will, without delay following calculation, notify the Irish Stock Exchange of the Net Asset Value of each Fund.

(b) Assets of the Funds.

The assets of each Fund shall be determined to include (a) all cash in hand, on deposit, or on call including any interest accrued thereon and all accounts receivable, (b) all bills, demand notes, certificates of deposit and promissory notes; (c) all bonds, forward currency transactions, time-notes, shares, stock, units of or participation in collectible investment schemes/mutual funds, debentures, debenture stock, subscription rights, warrants, futures contracts, options contracts, swap contracts, fixed rates securities, floating rates securities, securities in respect of which the return and/or repurchase amount is calculated by reference to any index, price or rate, financial incidents and other investments and securities owned or contracted for by the Company, other than rights and securities issued by it; (d) all stock and cash dividends and cash distributions to be received in respect of the Fund and not yet received by the Company but declared to stockholders on record on a date on or before the day as of which the net asset value is being determined, (e) all interest accrued on any interest-bearing securities attributed to the Fund except to the extent that the same is included or reflected in, the principal value of such security, (f) all other Investments of the Fund, (g) the preliminary expenses attributable to the Fund including the cost of issuing and distributing Shares of the Fund in so far as the same have not been written off and (h) all other assets of the Fund of every kind and nature including prepaid expenses as valued and defined from time to time by the Directors.

(c) Valuation Principles

The principal valuation principles to be used in valuing each of Fund's assets are as follows:-

- (i) the Directors shall calculate the value of the assets of any Fund on the following basis:-
  - A. the value of any Investment (including any securities of a Collective Investment Scheme) (other than any futures or options which if quoted, listed or normally dealt in on a regulated market, shall be valued in accordance with sub-paragraph G) which is quoted, listed or normally dealt in on a regulated market shall be based on the closing price or (if bid and offer quotations are made) the closing middle market quotation for such Investment last available to the Directors at the relevant Valuation Point provided that:-
    - I. if an Investment is quoted, listed or normally dealt in on more than one market, the Directors may, in their absolute discretion select any or of such markets for the foregoing purposes and once selected a

market shall be used for future calculations of the Net Asset Value unless the Directors otherwise determine; and

- II. in the case of any Investment which is quoted, listed or normally dealt in on a market but in respect of which for any reason, prices on that market may not be available at any Valuation Point, the value therefor shall be the probable realisable value thereof which must be estimated with care and in good faith by a person, firm or association making a market in such Investment appointed by the Directors, and qualified, in their opinion, to provide such a value and approved by the Custodian; and
  - III. there shall be taken into account interest on interest-bearing Investments;
  - IV. neither the Directors nor their agents shall be under any liability by reason of the fact that a value reasonably believed by them to be the price of an Investment may be found not to be such;
- B. the value of any Investment (including any securities of a Collective Investment Scheme) which is not quoted, listed or normally dealt in on a market shall be the probable realisable value therefor which must be estimated with care and in good faith ascertained as hereinafter provided as determined by the Directors with the concurrence of the Custodian. For this purpose:-
- I. the probable realisable value of such Investment shall be such value as shall be estimated by the Directors acting in good faith and with due care and approved by the Custodian; and
  - II. there shall be taken into account interest on interest bearing Investments;
- C. cash shall be valued at face value (together with accrued interest to the relevant Valuation Point);
- D. certificates of deposit acquired at their nominal value will be valued at cost plus accrued interest from the date of acquisition on the nominal value at the coupon rate;
- E. certificates of deposit acquired at a discount or premium to the sum of the nominal value and accrued interest at the date of acquisition will be valued at their cost plus accrued interest at the date of acquisition on the nominal value at the coupon rate, and adjusted by an amount equal to the discount or premium at which they were acquired divided by the number of days unexpired at the date of acquisition and multiplied by the number of days elapsed from the date of acquisition to the date as of which the Company's assets are being valued;
- F. treasury bills and bills of exchange shall be valued with reference to prices ruling in the appropriate markets for such instruments of like maturity, amount and credit risk, at the Valuation Point;

- G. forward foreign exchange contracts will be valued by reference to the price at the Valuation Point at which a new forward contract of the same size and maturity could be undertaken;
  - H. the value of any future contracts and options which are dealt in on a market shall be calculated by reference to the price appearing to the Directors to be the settlement price as determined by the market in question, provided that where it is not the practice of the relevant market to quote a settlement price or if such settlement price is not available for any reason, such value shall be calculated in such manner as the Directors shall determine with the concurrence of the Custodian;
  - I. the value of any over the counter ("OTC") derivative contracts shall be the quotation from the counterparty provided that such quotation is calculated on at least a daily basis by the counterparty and is approved or verified at least weekly by a person independent of the counterparty and who is approved for the purpose by the Custodian;
- (ii) notwithstanding any of the foregoing paragraphs the Directors:
    - A. with the approval of the Custodian may adjust the value of any Investment if having regard to the currency, applicable rate of interest maturity, marketability and/or such other considerations as they may deem relevant, they consider that such adjustment is required to reflect the fair value thereof;
    - B. may, in order to comply with any applicable accounting standards, present the value of any assets of the Company in financial statements to Shareholders in a manner different to that set out in Article 17;
  - (iii) if in any case a particular value is not ascertained as above provided or if the Directors shall consider that some other method of valuation better reflects the fair value of the relevant Investment then in such case the method of valuation of the relevant Investment shall be such as the Directors in their absolute discretion shall decide with the concurrence of the Custodian;
  - (iv) notwithstanding the foregoing where at any time any valuation of any asset of the Company has been realised or contracted to be realised there shall be included in the assets of the Company in place of such asset the net amount receivable by the Company in respect thereof provided that such amount is not then known exactly then its value shall be the net amount estimated by the Directors as receivable by the Company provided that if the net amount receivable is not payable until such future time after the time of any valuation the Directors shall make such allowance as they consider appropriate to reflect the true current value thereof;
  - (v) any valuations made pursuant to the Articles shall be binding on all persons;
  - (vi) the costs and liabilities/benefits arising from instruments entered into for the purpose of hedging the currency exposure for the benefit of any particular class of Shares of the Company (where the currency of a particular class is different to the Base Currency) shall be attributable exclusively to that class.

6. Liabilities attributable to the Funds

The liabilities of each Fund shall be deemed to include:- (a) the fees and expenses payable to the Investment Manager (and Advisers), Administrator and the Custodian, (b) fees and expenses of the Directors; (c) fees in respect of publication and circulation of details of the Net Asset Value; (d) stamp duties, taxes, brokerage or other expenses incurred in acquiring and disposing of investments; (e) the fees and expenses of the auditors, tax, legal and other professional advisers and company secretarial fees; (f) the Financial Regulator's industry Funding levy; (g) fees and expenses in connection with the distribution of Shares and/or costs of registration of the Company in jurisdictions outside Ireland; (h) the fees connected with listing on The Irish Stock Exchange; (i) the costs of printing and distributing reports, accounts and other explanatory memoranda, publishing prices and any costs incurred as a result of periodic updates of the prospectus and any other administrative expenses; (j) an appropriate provision for taxes (other than taxes taken into account as duties and charges) and contingent liabilities as determined from time to time by the Directors; and (k) all other liabilities of the Company of whatsoever kind.

In determining the amount of such liabilities, the Directors may calculate administrative and other expenses of a regular and recurring nature on an estimated figure for yearly and other periods in advance and accrue the same in equal proportions over any such period.

7. Commissions

Neither the Company nor the Investment Manager has entered into any soft commission arrangements with respect to the Company. In the event that any such arrangements are made, the Company or Investment Manager, as applicable, will ensure that (i) the broker or counterparty to the arrangement has agreed to provide best execution to the Company, (ii) benefits provided under the arrangement assist in the provision of investment services to the Company; and (iii) such arrangements are adequately disclosed in the relevant Prospectuses as updated or amended, and the periodic reports issued by the Company.

8. Directors' Interests

No Director has any interest direct or indirect in the Shares of the Company but non-Irish resident Directors shall be entitled to acquire such an interest.

There are no existing or proposed service contracts between any of the Directors and the Company.

Messrs Stephane Benbassat and Alberto Benbassat are General Partners of Genevalor Benbassat & Cie which owns 55% of the Distributor.

Mr David Smith is a director of the Distributor.

Mr Daniel Morrissey is a Partner of William Fry which acts as legal adviser to the Company in Ireland.

9. Meetings

The financial year end of the Company is 31 December in each year. Shareholders will be sent copies of the audited accounts prior to the Annual General Meeting in each year.

Annual General Meetings will be held in Ireland. Notices convening each Annual General Meeting will be sent to Shareholders together with the annual accounts and reports not later than twenty-one days before the date fixed for the meeting.

10. Litigation

The Company is not engaged in any litigation or arbitration proceedings and the Directors are not aware of any litigation or claim pending or threatened by or against the Company since its incorporation.

11. Material Contracts

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company and are, or may be, material:-

- (a) the Custodian Agreement dated 30 May 1996, between the Company and the Custodian and subsequently amended by a supplemental custodian agreement dated 21 August 2006;
- (b) the Investment Management Agreement dated 31 December 2006 between the Company and the Investment Manager;
- (c) the Administration Agreement dated 30 May 1996 between the Company and the Administrator and as subsequently amended by a supplemental administration agreement dated 21 August 2006.
- (d) The Distribution Agreement dated 31 December 2006 between the Company and Distributor.

12. Miscellaneous

- (a) The Company does not have, nor has it had since its incorporation, any employees.
- (b) Save as disclosed on paragraph 8 above, no Director has any interest direct or indirect in the promotion of the Company or in any assets which have been acquired or disposed of by or leased to the Company or are proposed to be acquired by, disposed of or leased to the Company, nor is there any contract or arrangement subsisting at the date of this document in which a Director is materially interested and which is unusual in its nature and conditions or significant in relation to the business of the Company.
- (c) The Company has not purchased or acquired nor agreed to purchase or acquire any property.
- (d) Save as disclosed on page 26, no amount or benefit has been paid or given to any promoter and none is intended to be given.
- (e) As at the date of this Prospectus there has been no significant change in the financial trading position of the Company since the end of the period for which the audited statement of net assets included herein are prepared.
- (f) The Auditors have given and have not withdrawn their written consent to the issue of this Prospectus, together with their report and the references to it in the form and content in which it appears.

13. Inspection of Documents

Copies of the following documents will be available for inspection at any time during normal business hours on any Business Day free of charge at the offices of the Administrator in Dublin, at the offices of William Fry or at the offices of the Distributor:-

- (a) the Memorandum and Articles of Association of the Company (see paragraphs 3 and 4 above for further details);
- (b) this Prospectus and any Supplement;
- (c) the most recently published annual and half-yearly reports relating to the Company;
- (d) the Custodian Agreement;
- (e) the Investment Management Agreement;
- (f) the Administration Agreement;
- (g) the Investment Advisory Agreement;
- (h) the Distribution Agreement;
- (i) the relevant Financial Regulator Notices;
- (j) the UCITS Regulations;
- (k) the Companies Acts, 1963 to 2005; and
- (l) a memorandum detailing the names of all companies and partnerships of which each Director of the Company has been a director or partner at any time in the previous five years, together with an indication of whether such person is still a director or partner of such entity.

## APPENDIX I

### The Regulated Markets

With the exception of permitted investment in unlisted securities, investment in securities will be restricted to those traded on stock exchanges and markets listed below in this Prospectus or any supplement thereto or revision thereof. The list is currently as follows:

#### Recognised Investment Exchanges

1. Recognised investment exchanges in any EU member state, Norway, Iceland, Liechtenstein, Australia, Canada, Japan, Hong Kong, New Zealand, Switzerland or the United States.

#### Markets

2. The following regulated markets:-
  - (a) the markets organised by the International Securities Market Association;
  - (b) the market conducted by "listed money market institutions" as described in the Bank of England publication "The Regulation of the Wholesale Cash and OTC Derivatives Markets (in Sterling, foreign currency and bullion)";
  - (c) AIM – the Alternative Investment Market in the UK, regulated and operated by the London Stock Exchange;
  - (d) the over-the-counter market in Japan regulated by the Securities Dealers Association of Japan;
  - (e) NASDAQ in the United States;
  - (f) the market in US government securities conducted by primary dealers regulated by the Federal Reserve Bank of New York;
  - (g) the over-the-counter market in the United States regulated by the National Association of Securities Dealers Inc.;
  - (h) the French market for "Titres de Creance Negotiable" (over-the-counter market in negotiable debt instruments);
  - (i) EASDAQ (European Association of Securities Dealers Automated Quotation);
  - (j) the over-the-counter market in Canadian Government Bonds, regulated by the Investment Dealers Association of Canada.

#### Markets on which FDIs may be traded

3. The following regulated markets on which financial derivative instruments may be traded:-
  - Any approved derivative market within the European Economic Area on which FDIs are traded.



The above markets are set out in the Articles of Association and are listed in accordance with the requirements of the Financial Regulator, it being noted the Financial Regulator does not issue a list of approved markets or stock exchanges.

## APPENDIX II

### Investment Techniques and Instruments for Efficient Portfolio Management/Direct Investment Purposes

The following provisions apply whenever a Fund proposes to engage in transactions in FDIs where the transactions are for the purposes of efficient portfolio management and, where the intention is disclosed in the Fund's investment policy, for investment purposes of the Fund. The Company shall employ a risk management process to enable it to monitor and measure, on a continuing basis, the risk of all open derivative positions and their contribution to the overall risk profile of a Fund's portfolio. The Company shall only invest in those types FDIs included in the Company's risk management process which must be approved in advance by the Financial Regulator. The Company will, on request, provide supplemental information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investment.

The conditions and limits for the use of such techniques and instruments in relation to each Fund are set out at section 6 in Appendix III.

#### Efficient Portfolio Management - Other Techniques and Instruments

In addition to the investments in FDIs noted under the heading "Efficient Portfolio Management" on page 13 of this Prospectus, the Manager may employ other techniques and instruments relating to transferable securities which it reasonably believes to be economically appropriate to the efficient portfolio management of each Fund in accordance with the investment objectives of each Fund.

Such techniques and instruments are set out below and are subject to the following conditions:-

#### Use of Repurchase/Reverse Repurchase and Stocklending Agreements

*For the purposes of this section, "relevant institutions" refers to those institutions which are credit institutions authorised in the EEA or credit institutions authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1998.*

- (a) Repurchase/reverse repurchase agreements, ("repo contracts") and stocklending agreements may only be effected in accordance with normal market practice.
- (b) Collateral obtained under a repo contract or stocklending agreement must be in the form of one of the following:
  - (i) cash;
  - (ii) government or other public securities;
  - (iii) certificates of deposit issued by relevant institutions;
  - (iv) bonds/commercial paper issued by relevant institutions;
  - (v) letters of credit with a residual maturity of three months or less, which are unconditional and irrevocable and which are issued by relevant institutions;
  - (vi) DBVs (deliveries by value) within the Crest clearing system, or comparable Central Securities Depositories Systems instruments, provided that:-

- they are subject to a concentration limit;
  - the subject securities fall into one of the categories listed under (ii) to (v) above, or the securities are a constituent part of a recognised index such as the ISEQ Index; and
  - the subject securities are consistent with the investment objectives and policies of the relevant Company.
- (c) Until the expiry of the repo contract or stocklending transaction, collateral obtained under such contracts or transactions:-
- (i) must be marked to market daily;
  - (ii) must equal or exceed, in value, at all times the value of the amount invested or securities loaned;
  - (iii) must be transferred to the Custodian, or its agent;
  - (iv) must be held at the credit risk of the counterparty; and
  - (v) must be immediately available to the Fund, without recourse to the counterparty, in the event of a default by that entity.

**Non-cash collateral:**

- (i) must be held at the credit risk of the counterparty;
- (ii) cannot be sold or pledged;
- (iii) must be marked to market daily;
- (iv) must be issued by an entity independent of the counterparty; and
- (v) must be diversified such that the Fund does not have a position exposure to the securities of any one issuer which would breach the investment restrictions as set out in the Appendix III/the Regulations. Where appropriate, the credit quality of the non-cash collateral must be consistent with the investment objectives and policies of the Fund.

**Cash collateral:**

Cash may not be invested other than in the following:

- (i) deposits, which are capable of being withdrawn within 5 working days, or such shorter time as may be dictated by the repo contract or stocklending agreement. The holding of cash on deposit is subject to the provisions of paragraph 7 of the Financial Regulator's Notices 9.1 and paragraph 2.6 of Appendix III. Cash may not be held on deposit with the counterparty or with a related institution;
- (ii) government or other public securities;
- (iii) certificates of deposit as set out in paragraph (b)(iii) above;

- (iv) letters of credit as set out in paragraph (b) (v) above;
  - (v) repurchase agreements, subject to the provisions herein;
  - (vi) daily dealing money market funds which have and maintain a rating of Aaa or equivalent. If investment is made in a linked fund, as described in paragraph 5, UCITS 9, no subscription, conversion or redemption charge can be made by the underlying money market fund.
- (d) Notwithstanding the provisions of paragraph (c), a Fund may enter into stocklending programmes organised by generally recognised Central Securities Depositories Systems provided that the programme is subject to a guarantee from the system operator.
  - (e) The counterparty to a repo contract or stocklending agreement must have a minimum credit rating of A2/P2 or equivalent, or must be deemed by the Company to have an implied rating of A2/P2. Alternatively, an unrated counterparty will be acceptable where the Fund is indemnified against losses suffered as a result of a failure by the counterparty, by an entity which has and maintains a rating of A2/P2.
  - (f) The Company must have the right to terminate the stocklending agreement at any time and demand the return of any or all of the securities loaned. The agreement must provide that, once such notice is given, the borrower is obligated to redeliver the securities within 5 business days or other period as normal market practice dictates.
  - (g) Repo contracts or stocklending agreements do not constitute borrowing or lending for the purposes of Regulation 70 and Regulation 71 respectively.
  - (h) When Issued, Delayed Delivery and Forward Commitment Securities

The Company may invest in securities on a when-issued, delayed delivery and forward commitment basis and such securities will be taken into consideration in calculating a Fund's investment restriction limits.

## APPENDIX III

### Investment Restrictions

Investment of the assets of the relevant Fund must comply with the Regulations. The Regulations provide:

<b>1</b>	<b>Permitted Investments</b>
	Investments of a UCITS are confined to:
<b>1.1</b>	Transferable securities and money market instruments which are either admitted to official listing on a stock exchange in an EU member state or non-EU member state or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in an EU member state or non-EU member state.
<b>1.2</b>	Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
<b>1.3</b>	Money market instruments, as defined in the UCITS Notices, other than those dealt on a regulated market.
<b>1.4</b>	Units of UCITS.
<b>1.5</b>	Units of non-UCITS as set out in the Financial Regulator's Guidance Note 2/03.
<b>1.6</b>	Deposits with credit institutions as prescribed in the UCITS Notices.
<b>1.7</b>	FDIs as prescribed in the UCITS Notices.
<b>2</b>	<b>Investment Restrictions</b>
<b>2.1</b>	Each Fund may invest no more than 10% of net assets in transferable securities and money market instruments other than those referred to in paragraph 1.
<b>2.2</b>	Each Fund may invest no more than 10% of net assets in recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described in paragraph 1.1) within a year. This restriction will not apply in relation to investment by a Fund in certain US securities known as Rule 144A securities provided that: <ul style="list-style-type: none"> <li>- the securities are issued with an undertaking to register with the US Securities and Exchanges Commission within one year of issue; and</li> <li>- the securities are not illiquid securities i.e. they may be realised by the Fund within seven days at the price, or approximately at the price, at which they are valued by the Fund.</li> </ul>
<b>2.3</b>	Subject to paragraph 4, each Fund may invest no more than 10% of net assets in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.
<b>2.4</b>	The limit of 10% (in 2.3) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by an EU member state or its local authorities or by a non-EU member state or public international body of which one or more EU member states are members.
<b>2.5</b>	The transferable securities and money market instruments referred to in 2.4 shall not be taken into account for the purpose of applying the limit of 40% referred to in 2.3.

- 2.6 Each Fund may not invest more than 20% of net assets in deposits made with the same credit institution.
- Deposits with any one credit institution, other than
- a credit institution authorised in the EEA (EU member states, Norway, Iceland, Liechtenstein);
  - a credit institution authorised within a signatory state (other than an EEA member state) to the Basle Capital Convergence Agreement of July 1988 (Switzerland, Canada, Japan, United States); or
  - a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand
- held as ancillary liquidity, must not exceed 10% of net assets.
- This limit may be raised to 20% in the case of deposits made with the trustee/custodian.
- 2.7 The risk exposure of a Fund to a counterparty to an OTC derivative may not exceed 5% of net assets.
- This limit is raised to 10% in the case of a credit institution authorised in the EEA; a credit institution authorised within a signatory state (other than an EEA member state) to the Basle Capital Convergence Agreement of July 1988; or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand
- 2.8 Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of net assets:
- investments in transferable securities or money market instruments;
  - deposits, and/or
- risk exposures arising from OTC derivatives transactions.
- 2.9 The limits referred to in 2.3, 2.4, 2.6, 2.7 and 2.8 above may not be combined, so that exposure to a single body shall not exceed 35% of net assets.
- 2.10 Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.6, 2.7 and 2.8. However, a limit of 20% of net assets may be applied to investment in transferable securities and money market instruments within the same group.
- 2.11 Each Fund may invest up to 100% of net assets in different transferable securities and money market instruments issued or guaranteed by any EU member state, its local authorities, non-EU member states or public international body of which one or more EU member states are members.
- The individual issuers must be listed in the prospectus and may be drawn from the following list:
- OECD Governments (provided the relevant issues are investment grade), European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, International Monetary Fund, Euratom, The Asian Development Bank, European Central Bank, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and Development (The World Bank), The Inter American Development Bank, European Union, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie Mae), Student Loan Marketing Association (Sallie Mae), Federal Home Loan Bank, Federal Farm Credit Bank and Tennessee Valley Authority.

	Each Fund must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of net assets.
<b>3</b>	<b>Investment in Collective Investment Schemes ("CIS")</b>
3.1	Investments made by a Fund in units of other CIS may not exceed, in aggregate, 10% of the assets of the Fund.
3.2	Notwithstanding the provisions of section 3.1, where the investment policy of a Fund states that it may invest more than 10% of its assets in other UCITS or collective investment undertakings, the following restrictions shall apply instead of the restrictions set out at section 3.1 above: <ul style="list-style-type: none"> <li>(a) Each Fund may not invest more than 20% of its Net Asset Value in any one CIS.</li> <li>(b) Investments in non-UCITS CIS may not, in aggregate, exceed 30% of its Net Asset Value.</li> </ul>
3.3	The CIS are prohibited from investing more than 10% of net assets in other CIS.
3.4	When a Fund invests in the units of other CIS that are managed, directly or by delegation, by the Fund's management company or by any other company with which the Fund's management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription, conversion or redemption fees on account of the Fund's investment in the units of such other CIS.
3.5	Where a commission (including a rebated commission) is received by the Fund's manager/investment adviser by virtue of an investment in the units of another CIS, this commission must be paid into the property of the Fund.
3.6	Where the investment policy of a Fund states that it may invest in other Funds of the Company, the following restrictions will apply:- <ul style="list-style-type: none"> <li>• a Fund will not invest in another Fund of the Company which itself holds shares in other Funds within the Company;</li> <li>• a Fund which invests in another Fund of the Company will not be subject to subscription, conversion or redemption fees;</li> <li>• where a commission (including a rebated commission) is received by the Investment Manager or any investment adviser by virtue of an investment by one Fund in another Fund of the Company, this commission must be paid into the property of the Fund; and</li> <li>• the Investment Manager will not charge an investment management fee to a Fund in respect of that portion of the Fund's assets invested in another Fund of the Company.</li> </ul>
<b>4</b>	<b>Index Tracking UCITS</b>
4.1	A Fund may invest up to 20% of net assets in shares and/or debt securities issued by the same body where the investment policy of the Fund is to replicate an index which satisfies the criteria set out in the UCITS Notices and is recognised by the Financial Regulator

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



	<ul style="list-style-type: none"> <li>- money market instruments;</li> <li>- units of CIS; or</li> <li>- FDIs.</li> </ul>
5.8	A Fund may hold ancillary liquid assets.
<b>6</b>	<b>Financial Derivative Instruments ('FDIs')</b>
6.1	Any Fund's global exposure (as prescribed in the Notices) relating to FDI must not exceed its total Net Asset Value.
6.2	Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Notices. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in the Notices.)
6.3	Any Fund may invest in FDIs dealt in over-the-counter (OTC) provided that <ul style="list-style-type: none"> <li>- The counterparties to over-the-counter transactions (OTCs) are institutions subject to prudential supervision and belonging to categories approved by the Financial Regulator.</li> </ul>
6.4	Investment in FDIs are subject to the conditions and limits laid down by the Financial Regulator.

#### Investment Restrictions

The Regulations provide that the Company in respect of each Fund:

- (a) may not borrow, other than borrowings which in the aggregate do not exceed 10% of the Net Asset Value of the Fund and provided that this borrowing is on a temporary basis. The Custodian may give a charge on the assets of the Fund in order to secure borrowings. Credit balances (e.g. cash) may not be offset against borrowings when determining the percentage of borrowings outstanding;
- (b) may acquire foreign currency by means of a back-to-back loan. Foreign currency obtained in this manner is not classed as borrowings for the purpose of the borrowing restriction in paragraph (a), provided that the offsetting deposit: (i) is denominated in the base currency of the Fund and (ii) equals or exceeds the value of the foreign currency loan outstanding. However, where foreign currency borrowings exceed the value of the back-to-back deposit, any excess is regarded as borrowing for the purposes of paragraph (a) above.

---

If you are in any doubt about the contents of this Supplement, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser.

The Directors of Thema International Fund public limited company (the "Company"), whose names appear under the heading "Management and Administration" in the prospectus of the Company dated 31 December 2006 (the "Prospectus") accept responsibility for the information contained in the Prospectus and in this Supplement. 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 the Prospectus and in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of the information.

---

## **THEMA FUND**

**US\$ CLASS**

**EURO CLASS**

*(A Fund of Thema International Fund public limited company  
an investment company with variable capital  
and having segregated liability between its Funds)*

**SUPPLEMENT**

---

**This Supplement contains information relating to the US\$ Class of Shares (the "US\$ Class") and the Euro Class of Shares (the "Euro Class") of the Thema Fund. This Supplement forms part of and should be read in conjunction with the general description of the Company contained in the current Prospectus of the Company.**

**The Shares of the US\$ Class of the Thema Fund were admitted to Official Listing on the Irish Stock Exchange on 2 July 1996 and Shares of the Euro Class were admitted on 3 October 2001**

The date of this Supplement is 31 December 2006.

**TABLE OF CONTENTS**

**DEFINITIONS** .....3

**INTRODUCTION**.....4

**INVESTMENT OBJECTIVE AND POLICY** .....4

**EFFICIENT PORTFOLIO MANAGEMENT** .....4

**BASE CURRENCY**.....5

**INVESTMENT AND BORROWING RESTRICTIONS**.....5

**MANAGEMENT AND ADMINISTRATION**.....5

**DIVIDEND POLICY** .....5

**SUBSCRIPTIONS**.....5

    APPLICATION PROCEDURE .....5

    PAYMENT OF SUBSCRIPTION MONIES .....6

    MINIMUM SUBSCRIPTIONS/HOLDINGS .....7

**REDEMPTIONS**.....7

    PROCEDURE .....7

    REDEMPTION PRICE.....8

**FEES AND EXPENSES**.....9

    CUSTODIAN'S FEES .....9

    ADMINISTRATOR'S FEES .....9

    INVESTMENT MANAGEMENT FEE .....9

    DISTRIBUTOR'S FEES .....9

    INITIAL CHARGE .....9

    REDEMPTION FEE .....9

    CONVERSION FEE .....9

**RISK FACTORS**.....10

    RISK WARNINGS .....10

**CONVERSION** .....10

## DEFINITIONS

*"Business Day"*, any day on which the banks in both Dublin and Geneva are open for business.

*"Dealing Day"*, the first Business Day of each month and the 15<sup>th</sup> day of each month, or if the 15<sup>th</sup> day of each month is not a Business Day, it shall be the next Business Day.

*"Regulated Markets"*, the Stock Exchanges and/or regulated markets listed in Appendix I of the Prospectus.

*"Shares"*, shares of any Share Class of the Thema Fund.

*"Share Class" or "Share Classes"*, such class of shares in the Thema Fund as the Directors from time to time designate, the current share classes in respect of the Thema Fund being the US\$ Class and the Euro Class.

*"Valuation Point"*, in respect of the assets and liabilities of the Thema Fund shall be the close of business in the relevant market (or such other time as the Directors may determine) on the Business Day immediately preceding a Dealing Day.

All other capitalised terms shall bear the same definitions as are set out in the Prospectus.

## INTRODUCTION

Thema International Fund public limited company (the "Company") is authorised in Ireland by the Financial Regulator as a UCITS for the purposes of the UCITS Regulations. The Company is structured as an umbrella fund in that the share capital of the Company may be divided into different classes of Shares with one or more classes representing a separate Fund of the Company. Each Fund may have more than one Share Class.

This Supplement contains information relating to the US\$ Class and the Euro Class of the Thema Fund. This Supplement forms part of and should be read in conjunction with the general description of the Company contained in the current Prospectus together with the most recent audited annual report and accounts and if published after such report, a copy of the latest unaudited semi-annual report.

## INVESTMENT OBJECTIVE AND POLICY

The objective of the Thema Fund is to achieve long-term capital appreciation by investing on a non-leveraged basis in a large number of United States equity securities traded on Regulated Markets that are highly liquid. Investments will principally be made in equity securities that are included in the Standard & Poors 100 Index (the "Index").

In constructing the portfolio for the Thema Fund, the Investment Manager will attempt to minimise risk by choosing investments from a broad range of liquid securities and by taking into consideration various factors including the issuer, its performance and the industry in which it principally engages in business. The portfolio will typically have approximately 30 to 50 highly liquid positions in US equities quoted on Regulated Markets located in the United States. The Thema Fund will have positions in related put options, in accordance with the restrictions set out in the UCITS Regulations for the purposes of efficient portfolio management, in an attempt to protect the Thema Fund from downward movements in the Index.

## EFFICIENT PORTFOLIO MANAGEMENT

The Thema Fund may, subject to the conditions and within the limits laid down by the Financial Regulator, employ techniques and instruments relating to transferable securities for efficient portfolio management purposes. Transactions for the purposes of efficient portfolio management may be undertaken with a view to achieving a reduction in risk, a reduction in costs or an increase in capital or income returns to the Thema Fund and may not be speculative in nature. These techniques and instruments may include investments in financial derivative instruments such as futures (which may be used to manage interest rate risk), options (which may be used to achieve cost efficiencies, for example where the acquisition of the option is more cost effective than purchasing of the underlying asset), swaps and forward currency exchange contracts (both of which may be used to manage currency risk against the Base Currency and/or any functional currency of the Thema Fund). Such techniques and instruments will be utilised in accordance with the requirements of the Financial Regulator. New techniques and instruments may be developed which may be suitable for use by the Thema Fund and the Thema Fund (subject as aforesaid) may employ such techniques and instruments. The Thema Fund may enter into stock lending, repurchase and/or reverse repurchase agreements for the purposes of efficient portfolio management in accordance with the provisions of the Notices.

The Thema Fund may purchase "out of the money" put options on the Standard & Poors 100 Index (i.e. where the price which is to be received in respect of the securities the subject of the put options will be a maximum of 5% below the present value of the securities held by Thema Fund at the time of the purchase of the relevant option). The Company, on behalf of the Thema Fund, will finance the purchase of these put options by selling "out of the money" call options on either the underlying equity securities held by the Thema Fund or the Standard & Poors 100 Index. The purchase and sale of these options will take place in accordance with the restrictions set out in the UCITS Regulations,

which are set out in Appendix III of the Prospectus. The sale of these call options reduces the cost to the Thema Fund of entering into the put options but shall limit the benefit to the Thema Fund of total upward movement in the Index.

### **BASE CURRENCY**

The base currency of the Thema Fund is the US Dollar. The Thema Fund currently has two Share Classes, the US\$ Class which is denominated in US Dollars and the Euro Class which is denominated in Euro.

### **INVESTMENT AND BORROWING RESTRICTIONS**

The Company is a UCITS and accordingly the Thema Fund is subject to the investment and borrowing restrictions set out in the UCITS Regulations and the Notices of Financial Regulator. These are set out in detail in the Prospectus.

### **MANAGEMENT AND ADMINISTRATION**

Detailed descriptions of the Directors and service providers to the Company are set out in the Prospectus.

### **DIVIDEND POLICY**

The share classes of the Thema Fund are accumulating share classes and, therefore, it is not intended to distribute dividends to the Shareholders in the Thema Fund. The income and other profits will be accumulated and reinvested on behalf of Shareholders. Dividends, if paid on either class of the Shares, may be paid out of the net revenue of the Share class of the Thema Fund in question including interest and dividends earned by the Thema Fund, realised and unrealised profits on the disposal/valuation of the investments and other assets less realised and unrealised losses of the Thema Fund.

### **SUBSCRIPTIONS**

#### **Application Procedure**

##### Application Forms.

All applicants must complete (or arrange to have completed under conditions approved by the Directors) the application form prescribed by the Directors from time to time in relation to the Company ("Application Form"). An Application Form accompanies this Supplement and sets out the methods by which and to whom the subscription monies should be sent. Application Forms shall (save as determined by the Directors) be irrevocable and may be sent by facsimile at the risk of the applicant. The originals of the Application Forms should be sent by post to arrive within two Business Days after the time for receipt of such application. Subsequent applications may be accepted in such form as may be authorised by the Directors from time to time, with the agreement of the Administrator and subsequent applications may be accepted by fax, provided that proper authorisation has been provided by the applicant in the Application Form. Redemption proceeds will not be paid out by the Administrator unless the original Application Forms and all documentation required for anti-money laundering purposes have been received by the Administrator.

Failure to provide the original Application Form by such time may, at the discretion of the Directors, result in the cancellation of any allotment of Participating Shares in respect of the application.

Fractions.

Subscription monies representing less than the subscription price for a Share will not be returned to the applicant. Fractions of Shares will be issued where any part of the subscription monies for Shares represents less than the subscription price for one Share, provided however, that fractions shall not be less than .0001 of a Share.

Offer.

Applications for Shares for either class of Shares of the Thema Fund must be received by the Administrator by 5.00pm (Irish time) on the Business Day immediately preceding the Dealing Day or such later time prior to the Valuation Point as the Directors may determine from time to time in consultation with the Administrator and subject to receipt by the Administrator of all authorisations required by it. Any applications received after that time will be held over until the next Dealing Day.

Subscription Price.

The subscription price per Share of the Share Classes of the Thema Fund shall be ascertained as follows:-

- (a) the Net Asset Value per Share of any class of Shares within the Thema Fund will be calculated by calculating the amount of the Net Asset Value of the Thema Fund which is attributable to the relevant class (costs and related liabilities/benefits of specific hedging instruments entered into for the benefit of any particular class of Shares will be allocated exclusively to that class) and adding thereto such sum as the Directors may consider represents an appropriate figure for Duties and Charges (if any) and any other amounts necessary to account for actual expenditure on the purchase of the underlying investments;
- (b) dividing the resultant figure under (a) above by the total number of Shares of the relevant class in issue; and
- (c) adjusting the resulting total up to the nearest unit of the currency in which such Participating Shares are designated where the amount so determined is equal to or greater than half of the relevant unit or down to the nearest unit where said amount is less than half of that unit ("unit" for these purposes being the smallest fraction of the relevant currency which is legal tender in the country of issue of that currency).

**Payment of Subscription Monies**

Method of Payment.

For instructions concerning subscriptions, investors should contact the Administrator.

Subscription payments plus an initial charge of up to 5% of the amount subscribed, (which initial charge is payable to, and shall be for the absolute use and benefit of the Investment Manager) must be paid by telegraphic transfer to the Administrator. The Subscription Price for Shares of any class of the Thema Fund will be available from the Administrator on request and will be published in the Financial Times, Le Temps and FOSC (for Switzerland) and in Handelsblatt (Germany) (for so long as the Thema Fund is registered in those jurisdictions) and in such other publications as the Directors may determine from time to time. Subscription prices will be published 10 Business Days following each Dealing Day.

Timing of Payment.

Payment in respect of subscriptions (including the initial charge) must be received by the Administrator by 5:00pm (Irish time) on the Business Day immediately preceding the relevant Dealing Day. If payment in full in cleared funds in respect of a subscription has not been received by the relevant time, the Directors may instruct the Administrator to cancel the allotment and/or may charge the applicant for any lapse incurred by it for any loss to the Thema Fund arising out of such non-receipt or non-clearance.

**Minimum Subscriptions/Holdings**

Initial Subscriptions.

The minimum initial subscription amount for Shares is as follows:-

US\$ Class - US\$50,000  
Euro Class - €50,000

or its foreign currency equivalent (or such lesser amount as the Directors may determine).

Minimum Holdings.

Any Shareholder who redeems or otherwise disposes of part of his holding must maintain an aggregate holding in each Share Class in which he holds Shares as follows:-

US\$ Class - US\$50,000  
Euro Class - €50,000

or its foreign currency equivalent (or less at the discretion of the Directors). The Directors have the power to redeem the remaining holding of any Shareholder who redeems his minimum holding of Shares in a Share Class to below the levels set out above or its currency equivalent. The minimum amount for subsequent subscriptions for both Classes of shares is US\$1,000 or €1,000.

Subscriptions paid in a currency other than the base currency of a Share Class will be converted by the Administrator at the prevailing exchange rate.

**REDEMPTIONS**

**Procedure**

Redemption.

Every Shareholder will have the right to require the Company to redeem his Shares in the Thema Fund on any Dealing Day (save during any period when the calculation of the Net Asset Value is suspended in the circumstances set out in the Prospectus) on furnishing to the Administrator a redemption request. Shares may be redeemed only by written application through the Administrator.

Redemption Form.

All applicants must complete (or arrange to have completed under conditions approved by the Directors) the redemption form ("Redemption Form") prescribed by the Directors in relation to the Thema Fund. Redemption Forms may be obtained from the Administrator or any relevant distributor. The Redemption Form sets out the methods by which and to whom redemption monies may be sent. Share certificate(s), where issued, must be sent with the Redemption Form. In the case of joint shareholdings, such certificate(s) should be endorsed by all joint shareholders.



A redemption request must be received by the Administrator 3 Business Days prior to the relevant Dealing Day or such later time prior to the Valuation Point as the Directors may determine from time to time. Faxed instructions will be accepted provided the Shareholder has completed the relevant Application Form. Redemption proceeds will not be paid out by the Administrator unless the original Application Forms and all documentation required for anti-money laundering purposes have been received by the Administrator.

Applicants should provide the following information when redeeming and where there is more than one registered Shareholder, the redemption request must be signed by all Shareholders:-

1. full name and address of the Shareholder(s) making the redemption;
2. the number of Shares or amount of the Thema Fund to be redeemed;
3. whether Shares were issued with or without certificate(s) (if Shares were issued in certified form, the certificate(s) must be enclosed);
4. details as to whom payment should be made (unless the predesignated instructions provided on the application form have been completed).

Redemption proceeds in US Dollars for the US\$ Class and Euros for the Euro Class will normally be sent by telegraphic transfer at the risk and expense of the Shareholder to the Shareholder's designated bank account, within seven Business Days after the Dealing Day or, if later, within two Business Days of the receipt of the original Redemption Form and share certificate (if issued) and any other required documents whichever is applicable.

If the redemption request is received after the deadline for receipt of requests for redemption for any particular Dealing Day, it shall be treated as a request for redemption and Shares will be redeemed at the Redemption Price as at the Valuation Point relevant to the next following Dealing Day.

The Company shall have the right to redeem compulsorily any Share at the Redemption Price if:-

- such Share is held by a non-Qualified Holder; or
- in its opinion, redemption would eliminate or reduce the exposure of the Company or the Shareholders as a whole to adverse tax or regulatory consequences; or
- a holding of Shares falls below the Minimum Holding.

#### **Redemption Price**

The Redemption Price per Share in each Class of the Thema Fund shall be ascertained as follows:-

- (a) the Net Asset Value per Share of any Class of Shares within the Thema Fund will be calculated by calculating the amount of the Net Asset Value of the Thema Fund which is attributable to the relevant class (costs and related liabilities/benefits of specific hedging instruments entered into for the benefit of any particular class of Shares will be allocated exclusively to that class) and deducting therefrom such sums as the Directors may consider represents an appropriate provision for Duties and Charges and any other amounts necessary to account for the actual sale price of underlying investments;
- (b) dividing the resultant figure calculated under (a) above by the total number of Shares of the relevant class in issue; and

- (c) adjusting the resulting total up to the nearest unit of currency in which such Participating Shares designated where the amount so determined is equal to or greater than half the relevant unit or down to the nearest unit ("unit" for these purposes being the smallest fraction of the relevant currency which is legal tender in the Country of issue of that currency).

## **FEES AND EXPENSES**

### **Custodian's Fees**

The Custodian is entitled to a fee of 0.07% per annum of the gross assets of the Fund up to the equivalent of US\$1 billion and at a rate of 0.03% on the gross assets over the equivalent of US\$1 billion calculated as of each Dealing Day and payable monthly in arrears.

The Custodian shall also be entitled to reimbursement of all agreed transaction charges, out-of-pocket expenses properly incurred for the benefit of the Company and fees of any sub-custodian which shall be at normal commercial rates.

### **Administrator's Fees**

The Administrator is entitled to a fee of 0.07% per annum of the gross assets of the Fund up to the equivalent of US\$1 billion and at a rate of 0.03% on the gross assets over the equivalent of US\$1 billion calculated as of each Dealing Day and payable monthly in arrears. The Administrator is also entitled to be reimbursed for all agreed transaction fees and out of pocket expenses properly incurred by it in the performance of its duties and responsibilities under the Administration Agreement.

### **Investment Management Fee**

The Investment Manager is entitled to charge a fee of up to 0.5% per annum of the Net Asset Value of the Thema Fund calculated and accrued as of each Valuation Point, payable monthly in arrears out of the assets of the Thema Fund.

### **Distributor's Fees**

The Distributor is entitled to a fee of up to 1.25% of the gross assets of the Fund calculated as of each Dealing Day and payable monthly in arrears out of the assets of the Fund. The Distributor's fee shall be in addition to any fee charged by the Investment Manager.

### **Initial Charge**

The initial charge for the Thema Fund is up to 5% of the Subscription Price and is payable to the Distributor.

### **Redemption Fee**

The Directors may charge a redemption fee of up to 1% of the Redemption Price, such fee being payable to the Company. The Directors will give one month's written notice to Shareholders of their intention to charge a redemption fee.

### **Conversion Fee**

The Directors may impose a conversion charge of up to 0.5% of the Net Asset Value of the Shares converted, such fee to be payable to the Company.

## **RISK FACTORS**

Potential investors should consider the risk factors set out in the Prospectus and the additional risk factors set out below before investing in the Thema Fund.

### **Risk Warnings**

1. Depending on an investor's currency of reference, currency fluctuations between that currency and the base currency of the Thema Fund may adversely affect the value of an investment in the Thema Fund.
2. Where a Share Class of the Thema Fund is denominated in a currency other than the base currency of the Thema Fund, the Company will attempt to minimise the effect of currency fluctuations between that currency and the Thema Fund's base currency through the use of hedging; however the result cannot be guaranteed. In addition, investors should note that the costs and gains/losses of transactions entered into by the Investment Manager for the purpose of hedging the currency exposure of any class which is denominated in a currency other than the base currency and/or the currency in which the assets of the Thema Fund are denominated will accrue solely to that class. The use of hedging may substantially limit Shareholders of that class from benefiting if the class currency falls against the base currency and/or the currency in which the assets of the Thema Fund are denominated.

The attention of Shareholders is drawn to the fact that the Company has Share Classes which distinguish themselves by, inter alia, their reference currency and that Shareholders are exposed to the risk that the Net Asset Value of a Share Class in one currency can move unfavourably vis-à-vis another Share Class in another currency. The Investment Manager attempts to alleviate this by way of hedging transactions but this may not produce Net Asset Value movements which are identical in different currencies.

### **CONVERSION**

Shareholders of any Share Class of the Thema Fund may convert to the corresponding Share Class of any other Fund of the Company. Further details are set out in the Prospectus.