

## **SWIP GLOBAL LIQUIDITY FUND PLC**

An Umbrella Fund with Segregated Liability between Sub-Funds

A company incorporated with limited liability as an open-ended umbrella investment company with variable capital under the laws of Ireland with registered number 351460

### **PROSPECTUS**

Dated 4 July 2011

The Directors of SWIP Global Liquidity Fund plc whose names appear in Section 2 accept responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure 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.

### **SPONSOR AND INVESTMENT MANAGER**

**Scottish Widows Investment Partnership Limited**

(created from 663052 v56)

## SWIP GLOBAL LIQUIDITY FUND PLC

**THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS DOCUMENT, WHICH COMPRISES A PROSPECTUS, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR AN INDEPENDENT FINANCIAL ADVISER.**

This document amends and consolidates the prospectus of the Fund dated 30 September 2008.

The authorisation of SWIP Global Liquidity Fund plc (the Fund) by the Irish Financial Services Regulatory Authority (the Central Bank) shall not constitute a warranty as to the performance of the Fund and the Central Bank shall not be liable for the performance or default of the Fund.

The value of and income from Shares in the Fund may go up or down and you may not get back the amount you have invested in the Fund.

Information applicable to the Fund generally is contained in Section 2. Shares constituting each Sub-Fund offered by the Fund are described in Section 1 of the Prospectus.

Before investing in the Fund, you should consider the risks involved in such investment. Please see the **Risk Factors** applicable to each Sub-Fund in Section 1.

Distribution of the Prospectus is not authorised in any jurisdiction after publication unless accompanied by a copy of the then latest annual report and audited accounts and if published after such report and accounts, a copy of the then latest semi-annual report and unaudited accounts. Such reports and the Prospectus together form the prospectus for the issue of Shares in the Fund.

The Fund is an investment company, with variable capital and segregated liability between sub-funds, incorporated under the laws of Ireland and authorised by the Central Bank under the Regulations. Such authorisation is not an endorsement or guarantee of the Fund by the Central Bank nor is the Central Bank responsible for the contents of this Prospectus. The authorisation of the Fund by the Central Bank shall not constitute a warranty as to the performance of the Fund and the Central Bank shall not be liable for the performance or default of the Fund.

The Fund is categorised as a short term money market fund for the purposes of the Guidelines.

The Fund has segregated liability between its Sub-Funds and accordingly any liability incurred on behalf of or attributable to any Sub-Fund shall be discharged solely out of the assets of that Sub-Fund.

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

The Directors do not anticipate that an active secondary market will develop in the Shares of any Sub-Fund.

The Prospectus may not be used for the purpose of an offer or solicitation in any jurisdiction or in any circumstances in which such offer or solicitation is unlawful or not authorised. In particular, the Shares have not been and will not be registered under the United States Securities Act of 1933 (as amended) and may not, except in a transaction which does not violate US securities laws, be directly or indirectly offered, sold or transferred in the United States or to any United States Person. The Fund is not and will not be registered under the United States Investment Company Act of 1940 and investors will not be entitled to the benefits of such registration.

This Prospectus is issued in the United Kingdom (**UK**) by Scottish Widows Investment Partnership Limited, which is authorised and regulated in the conduct of its investment business by the Financial Services Authority Limited.

The Fund is recognised for distribution in the UK for the purpose of Section 264 of the Financial Services and Markets Act 2000 of the United Kingdom. The Fund is also recognised for distribution in Spain by the Comision Nacional del Mercado de Valores and in Germany by the Federal Financial Supervisory Authority.

The Articles of the Fund give powers to the Directors to impose restrictions on the holding of Shares by (and consequently to repurchase Shares held by), or the transfer of Shares to, any United States Persons or by any person who appears to be in breach of the laws or requirements of any country or government authority or by 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 Fund incurring any liability to taxation or suffering any other pecuniary, regulatory, legal or material administrative disadvantage which the Fund might not otherwise have incurred or suffered. The Articles also permit the Directors where necessary to repurchase and cancel Shares (including fractions thereof) held by a person who is a Taxable Irish Person on the occurrence of a chargeable event for Irish taxation purposes.

**Potential subscribers and purchasers of Shares should inform themselves as to (i) the possible tax consequences, (ii) the legal requirements, (iii) any foreign exchange restrictions or exchange control requirements and (iv) any other requisite governmental or other consents or formalities which they might encounter under the laws of the countries of their incorporation, citizenship, residence or domicile and which might be relevant to the subscription, purchase, holding or disposal of Shares.**

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

Any information given, or representations made, by any dealer, salesman or other person not contained in this Prospectus or in any reports and accounts of the Fund forming part hereof must be regarded as unauthorised and accordingly must not be relied upon. Neither the delivery of this Prospectus nor the offer, issue or sale of Shares shall under any circumstances constitute a representation that the information contained in this Prospectus is correct as of any time subsequent to the date of this Prospectus. To reflect material changes, this Prospectus may from time to time be updated and intending subscribers should enquire of the Administrator or the Investment Manager as to the issue of any later Prospectus or as to the issue of any reports and accounts of the Fund.

All Shareholders are entitled to the benefit of, are bound by and are deemed to have notice of the provisions of the Memorandum and Articles of Association of the Fund, copies of which are available upon request.

Defined terms used in this Prospectus shall have the meanings attributed to them in Appendix I.

# SWIP GLOBAL LIQUIDITY FUND PLC

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## DIRECTORY

### DIRECTORS

John Brett  
Peter Blessing  
Ian Firth  
Desmond Miller  
All of:  
25/28 North Wall Quay  
Dublin 1  
Ireland

### SPONSORING BROKER

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

### REGISTERED OFFICE

25/28 North Wall Quay  
Dublin 1  
Ireland

### SECRETARY

Goodbody Secretarial Limited  
North Wall Quay  
Dublin 1  
Ireland

### ADMINISTRATOR AND REGISTRAR

State Street Fund Services  
(Ireland) Limited  
78 Sir John Rogerson's Quay  
Dublin 2  
Ireland

### AUDITORS

PricewaterhouseCoopers  
Chartered Accountants  
P.O. Box 1283  
George's Quay  
Dublin 2  
Ireland

### SPONSOR, INVESTMENT MANAGER AND MARKETING AGENT

Scottish Widows Investment Partnership Limited  
33 Old Broad Street  
London EC2N 1HZ  
England

### IRISH LEGAL ADVISERS

A & L Goodbody  
International Financial Services Centre  
North Wall Quay  
Dublin 1  
Ireland

### CUSTODIAN

State Street Custodial Services  
(Ireland) Limited  
78 Sir John Rogerson's Quay  
Dublin 2  
Ireland

## INTRODUCTION

SWIP Global Liquidity Fund plc is structured as an umbrella investment company with segregated liability between its Sub-Funds. Different Sub-Funds may be established from time to time by the Directors with the prior approval of the Central Bank. Any supplement to the Prospectus in relation to a new Sub-Fund shall list all of the existing Sub-Funds. Shares of more than one class may be issued in relation to a Sub-Fund. The Central Bank shall be notified of the creation of any new classes of Shares. On the introduction of any new class of Shares, the Fund will prepare and the Directors will issue documentation setting out the relevant details of each such class of Shares. A separate portfolio of assets shall be maintained for each Sub-Fund and shall be invested in accordance with the investment objective applicable to such Sub-Fund. **Particulars relating to individual Sub-Funds and the classes of Shares available therein are given in Section 1 hereof.**

Scottish Widows Investment Partnership Limited (the **Investment Manager**) serves as investment manager of the Fund and as the marketing agent (the **Marketing Agent**) of the Shares.

The Fund may decline any application for Shares in whole or in part without assigning any reason therefor and will not accept an initial subscription for Shares of any amount (exclusive of the preliminary charge, if any) which is less than the Minimum Initial Subscription as set forth in Section 1 for the relevant Sub-Fund, unless the Minimum Initial Subscription is waived by the Directors.

After the initial issue, Shares will be issued and repurchased at the Net Asset Value per Share plus or minus duties and charges (as the case may be) including any preliminary or repurchase charge specified in Section 1 hereof. The Net Asset Value of the Shares of each class and the issue and repurchase prices will be calculated in accordance with the provisions summarised under the heading **Issue and Repurchase Prices/Calculation of Net Asset Value/Valuation of Assets** in Section 2.

Details of Dealing Days in respect of each Sub-Fund appear in Section 1.

All Shareholders will be entitled to the benefit of, will be bound by and deemed to have notice of the provisions of the Memorandum and Articles of Association of the Fund summarised under the heading **General Information** in Section 2, copies of which are available as detailed in Section 2.

Subject to the Risk Factors set out in Section 1 of the Prospectus, investment in the Fund is suitable for corporate and institutional investors seeking daily liquidity, preservation of capital and a competitive yield.

## **SECTION 1**

### **SWIP GLOBAL LIQUIDITY FUND PLC**

Section 1 comprises a summary of the particulars relating to each of the Sub-Funds of SWIP Global Liquidity Fund plc. The assets of each Sub-Fund will be separate from one another and will be invested in accordance with the investment objectives applicable to each Sub-Fund. New Sub-Funds may be created by the Directors with prior approval of the Central Bank. New Share classes may also be created by the Directors. Details of any new Sub-Funds and/or share classes will be contained in the relevant Supplement.

The Fund has segregated liability between its Sub-Funds and accordingly any liability incurred on behalf of or attributable to any Sub-Fund shall be discharged solely out of the assets of that Sub-Fund.

Information contained within this Section 1 is selective and should be read in conjunction with Section 2 of the Prospectus.

## STERLING LIQUIDITY FUND (THE STERLING SUB-FUND)

### Investment Objective and Policies

The investment objective of the Sterling Sub-Fund is to maximise current income consistent with the preservation of principal and the provision of daily liquidity by investing in a diversified portfolio of high quality Sterling denominated short term debt and debt related instruments described below which are traded on the exchanges/markets listed in Appendix II of the Prospectus or which are to be traded on such exchanges/markets within a year of being issued. The Sterling Sub-Fund's investments will include fixed or floating rate instruments including but not limited to commercial paper, floating rate notes, certificates of deposit, freely transferable promissory notes, debentures and bonds. The investments shall be denominated in Sterling and may be issued or guaranteed as to principal or interest by sovereign governments, their agencies and instrumentalities, supranational entities and EU and non-EU corporations and financial institutions. All investments at time of purchase shall have ratings in the highest short term debt rating category awarded by Moody's or of comparable quality from Standard & Poor's or Fitch/BCA or, if unrated, be declared to be of comparable quality by the Investment Manager.

The Sterling Sub-Fund may invest up to 100% of its net assets in debt and/or debt related instruments issued or guaranteed as to principal and interest by the UK government, its agencies or instrumentalities and which are of investment grade.

The Sterling Sub-Fund may not hold any floating rate instrument with a residual maturity until the legal redemption date of greater than 397 days.

The Sterling Sub-Fund may invest an aggregate of 10% of its net assets in the shares of other collective investment schemes, which are categorised as short term money market funds under the Guidelines and where the Investment Manager considers that such investment would:

- assist in the preservation of capital through further diversification of credit risk; and/or
- provide a better net return than direct investment in money market instruments; and/or
- such investment would enhance available liquidity.

Subject to the foregoing, investment in other collective investment schemes will be confined to both UCITS and non-UCITS funds that invest only in money market instruments and/or other money market funds that satisfy the requirements of the Central Bank and which comply, in all material respects, with the provisions of the Central Bank Notices. This currently comprises:

- Class A Schemes established in Guernsey;
- Recognised Funds established in Jersey;
- Authorised Schemes established in the Isle of Man;
- Non UCITS retail open-ended collective investment schemes authorised by the Central Bank and which comply in all material respects with the provisions of the Central Bank's Notices on UCITS funds;
- Non UCITS open-ended collective investment schemes authorised in an EEA Member State, the United States, Jersey, Guernsey or the Isle of Man and which comply in all material respects with the provisions of the Central Bank's notices on UCITS funds.

The Sterling Sub-Fund may also hold ancillary liquid assets such as bank deposits, subject to any applicable limits set out in the Investment Restrictions, further details of which are contained in Section 2 of the Prospectus.

The weighted average maturity (**WAM**) of the Sterling Sub-Fund's investments will not exceed 60 days. When calculating the WAM of investments, the maturity of a floating rate instrument shall be deemed to be its next interest readjustment date and the maturity of any obligations subject to demand features shall be deemed to be the earlier of the next relevant reset date or the date upon which the demand may be invoked to recover the principal.

The weighted average life (**WAL**) of the Sterling Sub-Fund's investment will not exceed 120 days. When calculating the WAL for securities, including structured financial instruments, the Sterling Sub-Fund must base the maturity calculation on the residual maturity until the legal redemption of the instruments. However, when a financial instrument embeds a put option, the exercise date of the put option may be used instead of the legal residual maturity only if the following conditions are fulfilled at all times:

- the put option can be freely exercised by the Sterling Sub-Fund at its exercise date;
- the strike price of the put option remains close to the expected value of the instrument at the next exercise date; and
- the investment strategy of the Sterling Sub-Fund implies that there is a high probability that the option will be exercised at the next exercise date.

### **Investment Restrictions**

The general investment restrictions as set out in Section 2 of the Prospectus shall apply.

The Directors may from time to time impose such further investment restrictions as shall be compatible with or in the interests of Shareholders, in order to comply with the laws and regulations of the countries where Shareholders are located.

### **Efficient Portfolio Management**

With the exception of repurchase agreements which may be used for efficient portfolio management purposes, the Directors do not intend to enter into any financial derivative instruments in relation to the Sterling Sub-Fund. Repurchase agreements may be entered into in circumstances where the Investment Manager determines that they provide the Fund with enhanced liquidity and/or a more effective and cost efficient means of altering the Fund's yield exposure than would be achieved in the cash market. Subject to the requirements of the Central Bank, the Directors have authority to change this policy but shall notify the Shareholders before implementing any such change. Further information on efficient portfolio management techniques is set out in Section 2 of this document.

### **Borrowing and Lending Powers**

The Fund may borrow up to 10% of a Sub-Fund's net assets on a temporary basis at any time for the account of any Sub-Fund, which would include any repurchase agreements entered into for enhanced liquidity purposes. The Fund may not lend to, or act as guarantor on behalf of, third parties.

### **Rating Award**

The Sterling Sub-Fund has obtained an Aaa/MF Money Market Fund Rating from Moody's. When awarding these ratings Moody's take into account, inter alia, the Sterling Sub-Fund's portfolio quality, its counterparties and management, operating procedures and controls, regulatory compliance and market price risk relative to the Sub-Fund's published objectives. The Directors intend to operate the Sterling Sub-Fund in accordance with Moody's requirements (as amended from time to time) to maintain the rating award which amongst other things may further restrict the weighted average to maturity period of the investment portfolio, the maximum percentage of the Fund value that can be invested with any one counterparty, borrowing and lending powers, securities lending, and the use of efficient portfolio management techniques and instruments.

### **Risk Factors**

The general risk factors as set out in Section 2 of the Prospectus shall apply.

In addition to the general risk factors outlined in Section 2 of the Prospectus investors should also note that subscription for Shares of the Sterling Sub-Fund is not the same as making a deposit with a bank or other deposit taking body and the value of the Shares is not insured or guaranteed. Although it is intended to maintain a stable Net Asset Value per Income Share in the Sterling Sub-Fund, there can be no assurance that a stable Net Asset Value per Income Share will be maintained. The value of the

Sterling Sub-Fund may be affected by the creditworthiness of issuers of the Sterling Sub-Fund's investments and, notwithstanding the policy of the Sterling Sub-Fund of investing in short term instruments, may also be affected by substantial adverse movements in interest rates.

### **Dividend Policy**

The Directors intend to declare all net income of the Sterling Sub-Fund attributable to the Shares (other than any Accumulation Shares) on each Dealing Day as a dividend to Shareholders (other than Shareholders of Accumulation Shares) on the register of members as at the close of business on the relevant Dealing Day in an attempt to stabilise the Net Asset Value per Share at Stg£1.00. Dividends will be declared daily and payable monthly on the first Business Day of each following month. For this purpose, net income (from the time immediately preceding determination thereof) shall consist of interest and dividends earned by the Sterling Sub-Fund and realised and unrealised profits on the disposal/valuation of investments as may be lawfully distributed less realised and unrealised losses (including fees and expenses) of the Sterling Sub-Fund. Dividends payable to Shareholders will be re-invested each month by subscription for additional shares of the same class in the Sterling Sub-Fund unless Shareholders specifically advise on the application form that dividends be paid by electronic transfer. Different levels of dividend may be declared and paid on each class of Shares. Additional Shares will be issued to Shareholders at a price calculated in the same way as for other issues of the relevant class of Share on the same date. There is no minimum of such further Shares which may be so subscribed.

In the case of Shareholders who request the repurchase of part of their Shares and the payment to them of accrued dividends on those Shares, payment will, if the date of repurchase is other than the first Business Day of any month, be made (together with the dividend entitlement on the balance of the Shareholder's holding of Shares) on the first Business Day of the next month following the repurchase, provided that dividends shall only accrue up to the date of repurchase.

In the case of Shareholders who request the repurchase of all of their Shares and the payment to them of accrued dividends, such dividends will be paid at the time of such redemption.

In the case of Accumulation Shares, the Sterling Sub-Fund intends to distribute the net income and/or capital gains attributable to such Shares to the relevant Shareholders who in turn have elected for the amounts so distributed to be added to the capital value of the Accumulation Shares within the Sterling Sub-Fund. Given that any income and/or capital gains attributable to the Accumulation Shares will be re-invested within the Sterling Sub-Fund, the Accumulation Shares will not have a stable Net Asset Value of Stg£1.00 per Share.

### **Key Information for Purchasing and Repurchasing**

#### **Base Currency**

Sterling - Investors should note that if the United Kingdom participates in the third or any later stage of the European Monetary Union, the Directors may convert the base currency of the Sterling Sub-Fund from Sterling to Euro. The Directors will consult with the Fund's Custodian to determine the best means to effect conversion.

#### **Borrowing Limits**

For so long as the investments of the Sterling Sub-Fund hold an Aaa rating by Moody's or a comparable rating from Standard & Poor's or FitchIBC, the Sub-Fund will not engage in any borrowing without the relevant credit rating agency's express consent. If at any time borrowing is engaged in, it will not exceed 10% of net assets of the Fund.

#### **Business Day and Dealing Day**

A day on which banks in London are open for normal business except a Saturday or Sunday or a UK public holiday.

<b>Classes of Shares</b>	<b>Income Shares</b>	<b>Accumulation Shares</b>	
	Advisory Shares Institutional Shares	Advisory Shares Institutional Shares	
	<p>Advisory Shares are intended for purchase primarily by institutions which conduct life, pension or related asset management business with Scottish Widows Investment Partnership Limited who can invest £50 million or more in the Sterling Sub-Fund.</p> <p>Institutional Shares are intended for purchase primarily by institutions, corporations or individuals who can invest £5 million or more in the Sterling Sub-Fund.</p>		
	<b>Minimum Initial Subscription</b>	<b>Minimum Additional Subscription</b>	<b>Minimum Holding</b>
<b>Advisory Shares</b>	Stg£50 million	Discretionary	Stg£50 million
<b>Institutional Shares</b>	Stg£5 million	Discretionary	Stg£5 million
	<p>The Directors may for each relevant class of Share waive such minimum initial subscription and minimum holding amounts in their absolute discretion.</p>		
<b>Dealing Deadline</b>	1:30 pm (UK time) on each Dealing Day or such earlier time as may be dictated by the closure of relevant exchanges and/or markets on the Dealing Day.		
<b>Issue Price</b>	<b>Income Shares</b>	<b>Accumulation Shares</b>	
	Stg£1.00 per Income Share	Prevailing Net Asset Value per Accumulation Share	
<b>Settlement Date</b>	<p>In the case of subscription(s), a completed Subscription Form (and in the case of an initial investment, a completed Application Form) must have been received and accepted by the Administrator before the Dealing Deadline for the relevant Dealing Day unless otherwise approved by the Directors and provided payment is received before the relevant Valuation Point. If cleared funds are not received by the Valuation Point, then any interest costs and/or directly related charges will be reimbursed by the subscriber unless otherwise agreed by the Directors at their absolute discretion. Further details are set out in Section 2 under <b>Applications for Shares</b>.</p> <p>In the case of repurchases, proceeds will usually be paid by electronic transfer to the account specified in the application form at the Shareholder's risk and expense on the same Dealing Day (and in any event no later than 10 Business Days) after the receipt of the relevant duly signed repurchase documentation.</p>		
<b>Valuation Point</b>	4:00pm (UK time) on each Dealing Day.		

## **Investment Management Charges and Expenses**

The annual investment management charges and expenses of the Sterling Sub-Fund are based on a percentage of the Net Asset Value of the Sterling Sub-Fund prior to the deduction of any fees or other expenses. The investment management charges and expenses will cover the fees and expenses of the Investment Manager, the Custodian, the Administrator and the Marketing Agent. Further details are set out under the heading **Charges and Expenses** in Section 2 of the Prospectus.

The annual investment management charges and expenses of the Sterling Sub-Fund differ for the various classes of Shares. The annual investment management charges and expenses of each class of Shares in the Sterling Sub-Fund are set out below:-

### ***Advisory Shares***

0.15% per annum of the Net Asset Value of the Sterling Sub-Fund attributable to that class of Share.

### ***Institutional Shares***

0.20% per annum of the Net Asset Value of the Sterling Sub-Fund attributable to that class of Share.

All fees will be payable monthly in arrears and be calculated with reference to the daily Net Asset Value of the Sterling Sub-Fund or the relevant class of Share, as the case may be. No performance fees will be payable by the Sterling Sub-Fund.

There are no preliminary charges payable. However, an exit charge of up to 2.0% of any gross redemption proceeds may be imposed at the sole discretion of the Directors. Under normal circumstances no exit fee will be charged. However, the Directors may impose such a charge if they determine that a Shareholder is purchasing or selling Shares on considerations of a short term nature or for trading or arbitrage purposes. The Directors also reserve the right at their sole discretion, to impose an exchange fee of up to 0.50% of the total repurchase price of the Shares in respect of an exchange of Shares held in one Sub-Fund for Shares in another Sub-Fund.

Details of the investment management charges and expenses payable in relation to further Sub-Funds or share classes will be determined at the time of the creation of such further Sub-Fund or classes of Shares and will be set out in the relevant offer document.

## **General Charges and Expenses**

Details of all other charges and expenses which may be charged against the Sterling Sub-Fund are described under the heading **Charges and Expenses** in Section 2 of the Prospectus.

## EURO LIQUIDITY FUND (THE EURO SUB-FUND)

### Investment Objective and Policies

The investment objective of the Euro Sub-Fund is to maximise current income consistent with the preservation of principal and the provision of daily liquidity by investing in a diversified portfolio of high quality Euro denominated short term debt and debt related instruments described below which are traded on the exchanges/markets listed in Appendix II of the Prospectus or which are to be traded on such exchanges/markets within a year of being issued. The Euro Sub-Fund's investments will include fixed or floating rate instruments including but not limited to commercial paper, floating rate notes, certificates of deposit, freely transferable promissory notes, debentures and bonds. The investments shall be denominated in Euro and may be issued or guaranteed as to principal or interest by sovereign governments, their agencies and instrumentalities, supranational entities and EU and non-EU corporations and financial institutions. All investments at time of purchase shall have ratings in the highest short term debt rating category awarded by Moody's or of comparable quality from Standard & Poor's or Fitch/BCA or, if unrated, be declared to be of comparable quality by the Investment Manager.

The Euro Sub-Fund may invest up to 100% of its net assets in debt and/or debt related instruments issued or guaranteed as to principal and interest by an EU Member State government, its agencies or instrumentalities and which are of investment grade.

The Euro Sub-Fund may not hold any floating rate instrument with a residual maturity until the legal redemption date of greater than 397 days.

The Euro Sub-Fund may invest an aggregate of 10% of its net assets in the shares of other collective investment schemes, which are categorised as short term money market funds under the Guidelines and where the Investment Manager considers that such investment would:

- assist in the preservation of capital through further diversification of credit risk; and/or
- provide a better net return than direct investment in money market instruments; and/or
- such investment would enhance available liquidity.

Subject to the foregoing, investment in other collective investment schemes will be confined to both UCITS and non-UCITS funds that invest only in money market instruments and/or other money market funds that satisfy the requirements of the Central Bank and which comply, in all material respects, with the provisions of the Central Bank Notices. This currently comprises:

- Class A Schemes established in Guernsey;
- Recognised Funds established in Jersey;
- Authorised Schemes established in the Isle of Man;
- Non UCITS retail open-ended collective investment schemes authorised by the Central Bank and which comply in all material respects with the provisions of the Central Bank's Notices on UCITS funds;
- Non UCITS open-ended collective investment schemes authorised in an EEA Member State, the United States, Jersey, Guernsey or the Isle of Man and which comply, in all material respects, with the provisions of the UCITS Notices.

The Euro Sub-Fund may also hold ancillary liquid assets such as bank deposits, subject to any applicable limits set out in the Investment Restrictions, further details of which are contained in Section 2 of the Prospectus.

The weighted average maturity (**WAM**) of the Euro Sub-Fund's investments will not exceed 60 days. When calculating the WAM of investments, the maturity of a floating rate instrument shall be deemed to be its next interest readjustment date and the maturity of any obligations subject to demand features shall be deemed to be the earlier of the next relevant reset date or the date upon which the demand may be invoked to recover the principal.

The weighted average life (**WAL**) of the Euro Sub-Fund's investment will not exceed 120 days. When calculating the WAL for securities, including structured financial instruments, the Euro Sub-Fund must base the maturity calculation on the residual maturity until the legal redemption of the instruments. However, when a financial instrument embeds a put option, the exercise date of the put option may be used instead of the legal residual maturity only if the following conditions are fulfilled at all times:

- the put option can be freely exercised by the Euro Sub-Fund at its exercise date;
- the strike price of the put option remains close to the expected value of the instrument at the next exercise date; and
- the investment strategy of the Euro Sub-Fund implies that there is a high probability that the option will be exercised at the next exercise date.

### **Investment Restrictions**

The general investment restrictions as set out in Section 2 of the Prospectus shall apply.

The Directors may from time to time impose such further investment restrictions as shall be compatible with or in the interests of Shareholders, in order to comply with the laws and regulations of the countries where Shareholders are located.

### **Efficient Portfolio Management**

With the exception of repurchase agreements which may be used for efficient portfolio management purposes, the Directors do not intend to enter into any financial derivative instruments in relation to the Euro Sub-Fund. Repurchase agreements may be entered into in circumstances where the Investment Manager determines that they provide the Fund with enhanced liquidity and/or a more effective and cost efficient means of altering the Fund's yield exposure than would be achieved in the cash market. Subject to the requirements of the Central Bank, the Directors have authority to change this policy but shall notify the Shareholders before implementing any such change. Further information on efficient portfolio management techniques is set out in Section 2 of this document.

### **Borrowing and Lending Powers**

The Fund may borrow up to 10% of the Euro Sub-Fund's net assets on a temporary basis at any time for the account of the Euro Sub-Fund. The Fund may not lend to, or act as guarantor on behalf of, third parties.

### **Rating Award**

The Euro Sub-Fund has obtained an Aaa/MF Money Market Fund Rating from Moody's. When awarding these ratings Moody's take into account, inter alia, the Euro Sub-Fund's portfolio quality, its counterparties and management, operating procedures and controls, regulatory compliance and market price risk relative to the Sub-Fund's published objectives. The Directors intend to operate the Euro Sub-Fund in accordance with Moody's requirements (as amended from time to time) to maintain the rating award which amongst other things may further restrict the weighted average to maturity period of the investment portfolio, the maximum percentage of the Euro Sub-Fund value that can be invested with any one counterparty, borrowing and lending powers, securities lending, and the use of efficient portfolio management techniques and instruments.

### **Risk Factors**

The general risk factors as set out in Section 2 of the Prospectus shall apply.

In addition to the general risk factors outlined in Section 2 of the Prospectus investors should also note that subscription for Shares of the Euro Sub-Fund is not the same as making a deposit with a bank or other deposit taking body and the value of the Shares is not insured or guaranteed. Although it is intended to maintain a stable Net Asset Value per Income Share in the Euro Sub-Fund, there can be no assurance that a stable Net Asset Value per Income Share will be maintained. The value of the Euro Sub-Fund may be affected by the creditworthiness of issuers of the Euro Sub-Fund's

investments and, notwithstanding the policy of the Euro Sub-Fund of investing in short term instruments, may also be affected by substantial adverse movements in interest rates.

### **Dividend Policy**

The Directors intend to declare all net income of the Euro Sub-Fund attributable to the Shares (other than any Accumulation Shares) on each Dealing Day as a dividend to Shareholders (other than Shareholders of Accumulation Shares) on the register of members as at the close of business on the relevant Dealing Day in an attempt to stabilise the Net Asset Value per Share at €1.00. Dividends will be declared daily and payable monthly on or about the second Business Day of each following month. For this purpose, net income (from the time immediately preceding determination thereof) shall consist of interest and dividends earned by the Euro Sub-Fund and realised and unrealised profits on the disposal/valuation of investments as may be lawfully distributed less realised and unrealised losses (including fees and expenses) of the Euro Sub-Fund. Dividends payable to Shareholders will be re-invested each month by subscription for additional shares of the same class in the Euro Sub-Fund unless Shareholders specifically advise on the application form that dividends be paid by electronic transfer. Different levels of dividend may be declared and paid on each class of Shares. Additional Shares will be issued to Shareholders at a price calculated in the same way as for other issues of the relevant class of Share on the same date. There is no minimum of such further Shares which may be so subscribed.

In the case of Shareholders who request the repurchase of part of their Shares and the payment to them of accrued dividends on those Shares, payment will, if the date of repurchase is other than the second Business Day of any month, be made (together with the dividend entitlement on the balance of the Shareholder's holding of Shares) on the second Business Day of the next month following the repurchase, provided that dividends shall only accrue up to the date of repurchase.

In the case of Shareholders who request the repurchase of all of their Shares and the payment to them of accrued dividends, such dividends will be paid at the time of such redemption.

In the case of Accumulation Shares, the Euro Sub-Fund intends to distribute the net income and/or capital gains attributable to such Shares to the relevant Shareholders, who in turn have elected for the amounts so distributed to be added to the capital value of the Accumulation Shares within the Euro Sub-Fund. Given that any income and/or capital gains attributable to the Accumulation Shares will be re-invested within the Euro Sub-Fund, the Accumulation Shares will not have a stable Net Asset Value of €1.00 per Share.

### **Key Information for Purchasing and Repurchasing**

<b>Base Currency</b>	Euro	
<b>Borrowing Limits</b>	For so long as the Euro Sub-Fund holds an Aaa rating by Moody's or a comparable rating from Standard & Poor's or FitchIBCA, the Euro Sub-Fund will not engage in any borrowing without the relevant credit rating agency's express consent. If at any time borrowing is engaged in, it will not exceed 10% of net assets of the Euro Sub-Fund.	
<b>Business Day and Dealing Day</b>	A day on which banks in London or banks in the investor's country are open for normal business except a Saturday or Sunday or a UK public holiday.	
<b>Classes of Shares</b>	<b><i>Income Shares</i></b>	<b><i>Accumulation Shares</i></b>
	Advisory Shares Institutional Shares	Advisory Shares Institutional Shares

Advisory Shares are intended for purchase primarily by institutions which conduct life, pension or related asset management business with Scottish Widows Investment Partnership Limited who can invest €50 million or more in the Euro Sub-Fund.

Institutional Shares are intended for purchase primarily by institutions, corporations, or individuals who can invest €5 million or more in the Euro Sub-Fund.

	<b>Minimum Initial Subscription</b>	<b>Minimum Additional Subscription</b>	<b>Minimum Holding</b>
<b>Advisory Shares</b>	€50 million	Discretionary	€50 million
<b>Institutional Shares</b>	€5 million	Discretionary	€5 million

The Directors may for each relevant class of Share waive such minimum initial subscription and minimum holding amounts in their absolute discretion.

**Dealing Deadline** 1:00 pm (UK time) on each Dealing Day or such earlier time as may be dictated by the closure of relevant exchanges and/or markets on the Dealing Day.

<b>Issue Price</b>	<b>Income Shares</b>	<b>Accumulation Shares</b>
	€1.00 per Income Share	Prevailing Net Asset Value per Accumulation Share

**Settlement Date** In the case of subscription(s), a completed Subscription Form (and in the case of an initial investment, a completed Application Form) must have been received and accepted by the Administrator before the Dealing Deadline for the relevant Dealing Day unless otherwise approved by the Directors and provided payment is received before the relevant Valuation Point or before close of the same Business Day if later and at the absolute discretion of the Administrator. If cleared funds are not received by the Valuation Point or before close of the same Business Day if later, then any interest costs and/or directly related charges will be reimbursed by the subscriber unless otherwise agreed by the Directors at their absolute discretion. Further details are set out in Section 2 of the Prospectus under **Applications for Shares**.

In the case of repurchases, proceeds will usually be paid by electronic transfer to the account specified in the application form at the Shareholder's risk and expense on the same Dealing Day (and in any event no later than 10 Business Days) after the receipt of the relevant duly signed repurchase documentation.

**Valuation Point** 4:30 pm (UK time) on each Dealing Day.

**Investment Management  
Charges and Expenses**

The annual investment management charges and expenses of the Euro Sub-Fund are based on a percentage of the Net Asset Value of the Euro Sub-Fund prior to the deduction of any fees or other expenses. The investment management charges and expenses will cover the fees and expenses of the Investment Manager, the Custodian, the Administrator and the Marketing Agent. Further details are set out under the heading **Charges and Expenses** in Section 2 of the Prospectus.

The annual investment management charges and expenses of the Euro Sub-Fund differ for the various classes of Shares. The annual investment management charges and expenses of each class of Shares in the Euro Sub-Fund are set out below:-

***Advisory Shares***

0.15% per annum of the Net Asset Value of the Euro Sub-Fund attributable to that class of Share.

***Institutional Shares***

0.20% per annum of the Net Asset Value of the Euro Sub-Fund attributable to that class of Share.

All fees will be payable monthly in arrears and be calculated with reference to the daily Net Asset Value of the Euro Sub-Fund or the relevant class of Share, as the case may be. No performance fees will be payable by the Euro Sub-Fund.

There are no preliminary charges payable. However, an exit charge of up to 2.0% of any gross redemption proceeds may be imposed at the sole discretion of the Directors. Under normal circumstances no exit fee will be charged. However, the Directors may impose such a charge if they determine that a Shareholder is purchasing or selling Shares on considerations of a short term nature or for trading or arbitrage purposes. The Directors also reserve the right at their sole discretion, to impose an exchange fee of up to 0.50% of the total repurchase price of the Shares in respect of an exchange of Shares held in one Sub-Fund for Shares in another Sub-Fund.

Details of the investment management charges and expenses payable in relation to further Sub-Funds or share classes will be determined at the time of the creation of such further Sub-Fund or classes of Shares and will be set out in the relevant offer document.

**General Charges  
and Expenses**

Details of all other charges and expenses which may be charged against the Euro Sub-Fund are described under the heading **Charges and Expenses** in Section 2 of the Prospectus.

## SECTION 2

### Directors of the Fund

The Directors of the Fund are described below:

**John Brett** (British). Mr. Brett is the Director of Sales and Marketing for Scottish Widows Investment Partnership Limited (**SWIP**). Prior to this he was the Director of Legal and Risk for SWIP with responsibility for the risk, legal and compliance functions. Mr. Brett is also a member of SWIP's Executive Committee. Mr. Brett joined SWIP in September 2003 from Aberdeen Asset Management plc where he was Head of Legal Services and Company Secretary. Mr. Brett is a qualified solicitor and has over 13 years experience in the investment management sector with extensive regulatory and fund experience. Prior to moving to an in-house legal and regulatory function, Mr. Brett worked as a solicitor in private practice in Aberdeen. Mr. Brett holds an LLB in Law and a Diploma in Legal Practice from Aberdeen University, a BSc in Chemical Engineering from Edinburgh University and has also attained the Investment Management Certificate.

**Peter Blessing** (Irish). Mr. Blessing is an executive director of Corporate Finance Ireland Limited, an independent corporate finance boutique, which he joined in 1996. He is also a director of and consultant to a number of International Financial Services Centres (**IFSC**) companies. Mr. Blessing was Managing Director of Credit Lyonnais Financial Services Limited, Dublin (**CLYFS**) from its establishment in 1991 until 1995. Before joining CLYFS, Mr. Blessing worked with Allied Irish Banks p.l.c. as director of its IFSC subsidiary from 1988 to 1991 and as a senior executive in its Corporate Finance Division from 1982 to 1988.

**Ian Firth** (British). Mr Firth is Managing Director of Treasury & Trading and co-head of Corporate Markets of Lloyds TSB. He was appointed to this position in January 2009 following the merger of Lloyds TSB and HBOS. He joined Lloyds TSB in 1999 as Interest Rate Products Director and during the next 5 years his role grew to include Foreign Exchange trading and responsibility for management of the Group's overseas Treasuries. He became Head of Trading in 2006 and has played a key role in the expansion of the financial markets and Corporate Markets business. Prior to joining Lloyds TSB, Mr Firth worked at Barclays in various Treasury & Trading roles. He was Global Head of Funding and, prior to that, Head of Barclays Capital Markets Division in Asia. He spent several years working overseas - in Japan and Singapore. Mr Firth is a member of the Wholesale Excom and sits on many of the Group's senior committees.

**Desmond Miller** (Irish). Mr. Miller was a General Practice Partner in KPMG in Dublin from 1969 to 1997. He is a past-president of the Dublin Chamber of Commerce and the Chambers of Commerce of Ireland and a past-Chairman of the International Chamber of Commerce. He is currently retired and is a non-executive director of several companies. Mr. Miller is a Fellow of the Institute of Chartered Accountants, an Associate Member of the Institute of Taxation and a member of the Institute of Directors.

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

Save for the information outlined herein, no further information is required to be given in respect of the Directors pursuant to the listing requirements of the Irish Stock Exchange.

The Fund has delegated the day to day management and running of the Fund in accordance with policies approved by the Directors to the Custodian, the Administrator, the Investment Manager and the Marketing Agent. Consequently, all Directors of the Fund are non-executive.

### Investment Manager and Marketing Agent

Pursuant to two agreements Scottish Widows Investment Partnership Limited serves as both Investment Manager and Marketing Agent of the Fund.

The Investment Manager was incorporated under the laws of England and Wales on 6 March, 1964 and is ultimately a wholly owned subsidiary of Lloyds Banking Group plc. The Investment Manager is authorised and regulated by the FSA and as at 30 June 2010 had Stg£136.4 billion of funds under both discretionary and advisory management. The Investment Manager is a member of Lloyds Banking Group, whose holding company Lloyds Banking Group plc is listed on the London and New York Stock Exchanges. The Lloyds Banking Group is involved in retail and investment banking, fund management and other financial services, both in the United Kingdom and elsewhere.

The Investment Manager will provide the Fund with investment management and advisory services in relation to the investments of each Sub-Fund and will act with day to day authority, power and responsibility for the investments in accordance with the investment objectives and policies set out in Section 1 of the Prospectus.

### **Custodian**

State Street Custodial Services (Ireland) Limited has been appointed as custodian of the assets of the Fund in place of The Governor and Company of the Bank of Ireland (**BOI**) pursuant to the Novation to Custodian and Trustee Agreement dated 31 July 2003 which amended and novated the Custodian Agreement dated 8 March 2002 between the Fund and BOI.

The Custodian's principal business is the provision of custodial and trustee services for collective investment schemes and other portfolios.

The Custodian is a limited liability company incorporated in Ireland on 22nd May 1991 and is ultimately owned by State Street Corporation. Its authorised share capital is Stg£5,000,000 and its issued and paid up capital is Stg£200,000.

State Street Corporation is a leading world-wide specialist in providing sophisticated global investors with investment servicing and investment management. State Street is headquartered in Boston, Massachusetts, U.S.A., and trades on the New York Stock Exchange under the symbol **STT**.

The Custodian is responsible for the safe-keeping of all of the assets of the Fund. The Custodian may appoint any person or persons to be the sub-custodian of the assets of the Fund, however the liability of the Custodian shall not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. The Custodian has appointed State Street Bank and Trust Company as its global sub-custodian. The Fund and the Custodian acknowledge that the Central Bank considers that in order to discharge its responsibility the Custodian must exercise care and diligence in choosing and appointing a sub-custodian so as to ensure that the sub-custodian has, and maintains, the expertise, competence and standing appropriate to discharge its responsibilities. In this regard, the Custodian must maintain an appropriate level of supervision over the sub-custodian and make enquiries from time to time to confirm that the obligations of the sub-custodian continue to be competently discharged. This does not purport to be a legal interpretation by the Central Bank of the Regulations and the corresponding provisions of the UCITS Directive.

### **Administrator**

State Street Fund Services (Ireland) Limited has been appointed to act as administrator, registrar and transfer agent of the Fund in place of Bank of Ireland Securities Services Limited (**BOISS**) pursuant to the Novation to Administration Agreement dated 31 July 2003 which amended and novated the Administration Agreement dated 8 March 2002 between the Fund and BOISS.

The Administrator will have the responsibility for the administration of the Fund's affairs including the calculation of the Net Asset Value per Share and preparation of the accounts of the Fund, subject to overall supervision of the Directors.

The Administrator is a limited liability company incorporated in Ireland on 15 October 1991 and is ultimately owned by State Street Corporation. The authorised share capital of State Street Fund Services (Ireland) Limited is Stg£5,000,000 with an issued and paid up capital of Stg£250,000.

State Street Corporation is a leading world-wide specialist in providing sophisticated global investors with investment servicing and investment management. State Street is headquartered in Boston, Massachusetts, U.S.A., and trades on the New York Stock Exchange under the symbol **STT**.

The duties and functions of the Administrator will include, inter alia, the calculation of the Net Asset Value and Net Asset Value per Share of each Sub-Fund, the provision of facilities for the certification and registration of Shares, the keeping of all relevant records and accounts of the Fund as may be required with respect to the obligations assumed by it pursuant to the Administration Agreement, assisting the auditor in relation to the audit of the financial statements of the Fund and preparing such other reports, accounts and documents as may from time to time be required in relation to the Fund and each Sub-Fund.

### **Paying Agents**

The Fund may appoint paying agents and/or distribution agents and/or information agents in a number of jurisdictions in connection with the sale and promotion of its Shares in such jurisdictions and may also enter into any necessary agreements in order to give effect to such arrangements.

### **Investment Objective and Policies**

The Articles provide that the investment objective and policies for each Sub-Fund will be formulated by the Directors at the time of the creation of the Sub-Fund. Details of the investment objective and policies for each Sub-Fund of the Fund appear in Section 1 for the relevant Sub-Fund. In the absence of unforeseen circumstances, the principal investment objective and policies for any Sub-Fund will be adhered to for at least three years following the admission of the Shares of the relevant Sub-Fund to listing on the Official List and trading on the main securities market of the Irish Stock Exchange.

Any change in the investment objective and any material change in the investment policy of any Sub-Fund during the life of a Sub-Fund will only be made with the consent of the Central Bank and with the approval of the Shareholders in the relevant Sub-Fund, which approval can be obtained by way of written resolution of all Shareholders in the Sub-Fund or by ordinary resolution of the Shareholders of the relevant Sub-Fund at a duly convened general meeting.

Subject to the foregoing and to the giving of reasonable prior notice to Shareholders to enable them to request a repurchase of their Shares prior to the implementation of any change, the Directors have the power to change the investment objective and policies of a Sub-Fund.

### **Investment Restrictions**

Details of the investment restrictions laid down in accordance with the Regulations in respect of each Sub-Fund are set out below. These are, however, subject to the qualifications and exemptions contained in the Regulations and in the Central Bank Notices.

The particular investment restrictions for each Sub-Fund are formulated by the Directors at the time of the creation of the Sub-Fund and appear in Section 1 of this document.

The Directors may from time to time impose such further investment restrictions as shall be compatible with or in the interest of the Shareholders, in order to comply with the laws and regulations of the countries where Shareholders are resident.

Subject to the foregoing, any particular investment restrictions for future Sub-Funds will be formulated by the Directors at the time of the creation of the relevant Sub-Fund.

## **1 Permitted Investments**

Investments of each Sub-Fund are confined to:

- 1.1 transferable securities and money market instruments (as prescribed in the Central Bank Notices) 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.
- 1.2 Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
- 1.3 Money market instruments, as defined in the Central Bank Notices, other than those dealt on a regulated market.
- 1.4 Units of UCITS.
- 1.5 Units of non-UCITS as set out in the Central Bank Notices.
- 1.6 Deposits with credit institutions as prescribed in the Central Bank Notices.
- 1.7 Financial derivative instruments as prescribed in the Central Bank Notices.

## **2 Investment Limits**

- 2.1 Each Sub-Fund may invest no more than 10% of its Net Asset Value in transferable securities and money market instruments other than those referred to in paragraph 1.
- 2.2 Each Sub-Fund may invest no more than 10% of its Net Asset Value 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 Sub-Fund in certain US securities known as Rule 144A securities provided that:
  - 2.2.1 the securities are issued with an undertaking to register with the US Securities and Exchanges Commission within one year of issue; and
  - 2.2.2 the securities are not illiquid securities i.e. they may be realised by the Sub-Fund within seven days at the price, or approximately at the price, at which they are valued by the Sub-Fund.
- 2.3 Each Sub-Fund may invest no more than 10% of its Net Asset Value 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% of its Net Asset Value is less than 40%.
- 2.4 Subject to the prior approval of the Central Bank, the limit of 10% referred to in paragraph 2.3 is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in an EU Member State and is subject by law to special public supervision designed to protect bond-holders. If a Sub-Fund invests more than 5% of its Net Asset Value in bonds issued by one issuer, the total value of such investments may not exceed 80% of the Net Asset Value of the relevant Sub-Fund.
- 2.5 The limit of 10% referred to in paragraph 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.
- 2.6 The transferable securities and money market instruments referred to in paragraphs 2.4. and 2.5 shall not be taken into account for the purpose of applying the limit of 40% referred to in paragraph 2.3.
- 2.7 Each Sub-Fund may not invest more than 20% of its Net Asset Value in deposits made with the same credit institution.

Deposits with any one credit institution, other than credit institutions authorised in an EEA Member State or credit institutions 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, held as ancillary liquidity, must not exceed 10% of the Net Asset Value of a Sub-Fund.

This limit may be raised to 20% in the case of deposits made with the Custodian.

- 2.8 The risk exposure of a Sub-Fund to a counterparty to an over the counter (OTC) derivative may not exceed 5% of its Net Assets Value.

This limit is raised to 10% in the case of credit institutions authorised in the EEA or credit institutions authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988 or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.

- 2.9 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 the Net Asset Value of a Sub-Fund:

- 2.9.1 investments in transferable securities or money market instruments;
- 2.9.2 deposits; and/or
- 2.9.3 counterparty risk exposures arising from OTC derivatives transactions.

- 2.10 The limits referred to in paragraphs 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above may not be combined, so that exposure to a single body shall not exceed 35% of the Net Asset Value of a Sub-Fund.

- 2.11 Group companies are regarded as a single issuer for the purposes of paragraphs 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20% of a Sub-Fund's Net Asset Value may be applied to investment in transferable securities and money market instruments within the same group.

- 2.12 A Sub-Fund may invest up to 100% of its Net Asset Value 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 bodies of which one or more EU Member States are members.

The following are permitted issuers for the purposes of this investment restriction.

OECD Governments (provided the relevant issues are investment grade)  
Government of Singapore  
European Investment Bank  
European Bank for Reconstruction and Development  
International Finance Corporation  
International Monetary Fund  
Euratom  
The Asian Development Bank  
European Central Bank  
Council of Europe  
Eurofima  
African Development Bank  
International Bank for Reconstruction and Development (The World Bank)  
The Inter American Development Bank  
European Union  
Federal National Mortgage Association (Fannie Mae)  
Federal Home Loan Mortgage Corporation (Freddie Mac)  
Government National Mortgage Association (Ginnie Mae)  
Student Loan Marketing Association (Sallie Mae)  
Federal Home Loan Bank  
Federal Farm Credit Bank  
Tennessee Valley Authority

Straight-A Funding LLC  
Export-Import Bank

Each Sub-Fund must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of its Net Asset Value.

### **3 Investment in Collective Investment Schemes (CIS)**

- 3.1 A Sub-Fund may not invest more than 20% of its Net Asset Value in any one CIS (This limit is reduced to 10% in the case of the Sterling Sub-Fund and the Euro Sub-Fund).
- 3.2 Investment in non-UCIT CIS may not, in aggregate, exceed 30% of the Net Asset Value of a Sub-Fund.
- 3.3 A Sub-Fund may not invest in any single structure CIS or a sub-fund of an umbrella CIS which itself invests more than 10% of its net assets in other CIS.
- 3.4 When a Sub-Fund invests in the units of another CIS that is managed, directly or by delegation, by a Sub-Fund's management company (if applicable) or by any other company with which such 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 a Sub-Fund's investment in the units of such other CIS.
- 3.5 Where a commission (including a rebated commission) is received by a Sub-Fund's manager/investment manager/investment adviser by virtue of an investment in the units of another CIS, this commission must be paid into the property of the Sub-Fund.

### **4 Index Tracking UCITS**

- 4.1 A Sub-Fund may invest up to 20% of its Net Asset Value in shares and/or debt securities issued by the same body where the investment policy of the UCITS is to replicate an index which satisfies the criteria set out in the Central Bank Notices and is recognised by the Central Bank
- 4.2 The limit in paragraph 4.1 may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions.

### **5 General Provisions**

- 5.1 An investment company, or management company acting in connection with all of the CIS' it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
- 5.2 A Sub-Fund may acquire no more than:
  - 5.2.1 10% of the non-voting shares of any single issuing body;
  - 5.2.2 10% of the debt securities of any single issuing body;
  - 5.2.3 25% of the units of any single CIS;
  - 5.2.4 10% of the money market instruments of any single issuing body.

The limits laid down in paragraphs 5.2.2, 5.2.3 and 5.2.4 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.

- 5.3 Paragraphs 5.1 and 5.2 shall not be applicable to:
  - 5.3.1 transferable securities and money market instruments issued or guaranteed by an EU Member State or its local authorities;

- 5.3.2 transferable securities and money market instruments issued or guaranteed by a non-EU Member State;
  - 5.3.3 transferable securities and money market instruments issued by public international bodies of which one or more EU Member States are members;
  - 5.3.4 shares held by a UCITS 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 UCITS can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-EU Member State complies with the limits laid down in paragraphs 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;
  - 5.3.5 shares held by an investment company in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of units at unit-holders' request exclusively on their behalf.
- 5.4 Each Sub-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 Central Bank may allow a recently authorised Sub-Fund to derogate from the provisions of paragraphs 2.3 to 2.12, 3.1, 3.2, 4.1 and 4.2 for six months following the date of its authorisation, provided the Sub-Fund observes the principle of risk spreading.
- 5.6 If the limits laid down herein are exceeded for reasons beyond the control of a Sub-Fund, or as a result of the exercise of subscription rights, the Sub-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 Each Sub-Fund may not carry out uncovered sales of:
- 5.7.1 transferable securities;
  - 5.7.2 money market instruments;
  - 5.7.3 units of CIS; or
  - 5.7.4 financial derivative instruments.
- 5.8 A Sub-Fund may hold ancillary liquid assets.
- 6 Financial Derivative Instruments (FDIs)**
- 6.1 A Sub-Fund may invest in FDIs dealt in over-the-counter (OTC) provided that the Counterparties to the OTC transactions are institutions subject to prudential supervision and belonging to categories approved by the Authority.
- 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 Central Bank 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 Central Bank Notices).
- 6.3 A Sub-Fund's global exposure (as prescribed in the Central Bank Notices) relating to FDI must not exceed its total net asset value.
- 6.4 Investment in FDIs is subject to the conditions and limits laid down by the Central Bank.

## **Efficient Portfolio Management**

The Fund, on behalf of a Sub-Fund, may employ techniques and instruments relating to transferable securities and/or other financial instruments in which it invests for efficient portfolio management purposes. The use of techniques and instruments for efficient portfolio management purposes is subject to the conditions and within the limits laid down by the Central Bank Notices.

Where such operations concern the use of derivative transactions, the Fund must employ a risk-management process which enables it to monitor and measure at any time the risk of a Sub-Fund's positions and their contribution to the overall risk profile of the portfolio of assets of a Fund. It must employ a process for accurate and independent assessment of the value of OTC derivatives. Before investing in any financial derivative instruments on behalf of a Sub-Fund, the Fund must file a risk management process report with the Central Bank and in accordance with particular requirements of the Central Bank shall specify, for that purpose, the types of derivative instruments, the underlying risks, the quantitative limits and the methods which are chosen in order to estimate the risks associated with transactions in any derivative instruments applicable to a Sub-Fund. The Fund will ensure that a Sub-Fund's global exposure to FDIs does not exceed the total net asset value of its portfolio and that counterparty risk exposure to any OTC derivative transactions never exceeds the limits permitted under the Regulations or Central Bank Notices.

The Fund will, on request, provide supplementary 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 investments.

Details of any instruments of efficient portfolio management to be entered into on behalf of a Sub-Fund will be contained in Section 1 of this document.

## **Borrowing and Lending Powers**

The Fund may borrow up to 10% of a Sub-Fund's Net Asset Value at any time for the account of any Sub-Fund and the Custodian may charge the assets of such Sub-Fund as security for any such borrowing, provided that such borrowing is only for temporary purposes. Credit balances (e.g. cash) may not be offset against borrowings when determining the percentage of borrowings outstanding. Assets of a Sub-Fund may not be passed outside the Custodian's custody network to secure borrowings. Any particular borrowing restrictions for a Sub-Fund will appear in Section 1 for the relevant Sub-Fund. Without prejudice to the powers of the Fund to invest in transferable securities, money market instruments and other financial instruments referred to in paragraph 1 of the Investment Restrictions under the heading Permitted Investments (set out above), the Fund may not lend to, or act as guarantor on behalf of, third parties. A Sub-Fund may acquire transferable securities, money market instruments and other financial instruments which are not fully paid. The Fund may not carry out uncovered sales of such transferable securities, money market instruments and other financial instruments.

## **Risk Factors**

The investments of the Fund in securities are subject to normal market fluctuations and other risks inherent in investing in securities. The value of investments and the income from them, and therefore the value of, and income from, Shares relating to each Sub-Fund can go down as well as up and an investor may not get back the amount he invests. Changes in exchange rates between currencies or the conversion from one currency to another may also cause the value of investments to diminish or increase.

The Fund and the Investment Manager will not have control over the activities of any company or collective investment scheme invested in by a Sub-Fund. Managers of collective investment schemes and companies in which a Sub-Fund may invest may take undesirable tax positions, employ excessive leverage, or otherwise manage the collective investment schemes or be managed in a manner not anticipated by the Investment Manager.

Persons interested in purchasing Shares should inform themselves as to (i) the legal requirements within their own countries for the purchase of Shares (ii) any foreign exchange restrictions which may be applicable, and (iii) the income and other tax consequences of purchase and repurchase of Shares.

Any income and gains arising from the assets of the Fund may be subject to withholding tax which may not be reclaimable in the countries where such income and gains arise. If this position changes in the future and the application of a lower rate results in a repayment to the Fund, the Net Asset Value will not be re-stated and the benefit will be allocated to the existing Shareholders rateably at the time of repayment.

Subject to the Regulations, a Sub-Fund may enter into repurchase agreements. If the other party to a repurchase agreement should default, the Sub-Fund might suffer a loss to the extent that the proceeds from the sale of the underlying securities and other collateral held by the Fund in connection with the refuted repurchase agreement are less than the repurchase price. In addition, in the event of bankruptcy or similar proceedings of the other party to the repurchase agreement or its failure to repurchase the securities as agreed, the Sub-Fund could suffer losses, including loss of interest on or principal of the security and costs associated with delay and enforcement of the repurchase agreement.

While the provisions of the Companies Acts 1963 to 2009 provide for segregated liability between Sub-Funds, these provisions have yet to be tested in foreign courts, in particular in satisfying local creditor's claims. In the event that a foreign court refuses to recognise segregated liability at the sub-fund level, the assets of one Sub-Fund could be applied in satisfaction of the liabilities of another Sub-Fund.

Additional risk factors (if any) in respect of each Sub-Fund are set out in Section 1.

The investment risks set out in the Prospectus do not purport to be an exhaustive or complete explanation of all the risks. Investors should seek professional advice before investing.

### **Dividend Policy**

The dividend arrangements relating to each Sub-Fund will be decided by the Directors at the time of the creation of the relevant Sub-Fund and details are set out where applicable in Section 1. Under the Articles, the Directors are entitled to pay such dividends on any class of Shares at such times as they think appropriate and as appear to be justified out of the profits of the relevant Sub-Fund, being (i) the accumulated revenue (consisting of all revenue accrued including interest and dividends earned by the relevant Sub-Fund) less expenses and (ii) realised and unrealised capital gains on the disposal/valuation of investments and other funds less realised and unrealised accumulated capital losses of the relevant Sub-Fund, provided in each case that dividends may only be paid out of funds available for the purpose which may be lawfully distributed.

The Fund will be obliged and entitled to deduct an amount in respect of Irish tax from any dividend payable to any investor who is or is deemed to be a Taxable Irish Person and to pay such amount to the Revenue Commissioners in Ireland.

Dividends not claimed within six years from their due date will lapse and revert to the relevant Sub-Fund. Dividends payable in cash to Shareholders will be paid by telegraphic transfer at the expense of the payee. The relevant Sub-Fund shall bear the cost of all dividends.

### **Applications for Shares**

Under the Articles, the Directors are given authority to effect the issue of Shares of any class and to create new classes of Shares, and have absolute discretion to accept or reject in whole or in part any application for Shares. All Shares of each class will rank *pari passu* unless otherwise provided when the Shares are first offered for sale.

It is intended that issues of Shares will normally be made with effect from a Dealing Day in respect of applications received and payment made on or prior to the relevant Dealing Deadline. Dealing Days and Dealing Deadlines relating to each Sub-Fund are specified in Section 1 for the relevant Sub-Fund.

Initial applications to purchase Shares should be made by completion of the Application Form and a Subscription Form (which are available from the Administrator or Marketing Agent) and submitted to the Marketing Agent by post or by facsimile or by other electronic means (provided that such electronic means are in accordance with the requirements of the Central Bank) and provided that the original

Application Form and Subscription Form are also submitted to be received by the Marketing Agent on or prior to the relevant Dealing Deadline. If an application is received after the relevant Dealing Deadline for the relevant Dealing Day, the application shall (unless otherwise determined by the Directors and provided payment is received before the relevant Valuation Point) be deemed to have been received by the following relevant Dealing Deadline. Applications sent to the Marketing Agent by facsimile (number is: +44-131-6556195) or by some other electronic means, will be treated as definite orders, however, the original application documentation must be promptly sent by courier or air mail to the Administrator at the address set out in the Directory. All applications will be forwarded to the Administrator by the Marketing Agent following the carrying out of money laundering checks by the Marketing Agent in accordance with the requirements of the Criminal Justice Act, 1994 and the Criminal Justice Act (Miscellaneous Provisions) Act 1997. No application will be capable of withdrawal after ultimate acceptance by the Administrator from the Marketing Agent. Subsequent applications by existing Shareholders need only be made on the Subscription Form provided there has been no change in the relevant details of the Shareholder and the original application form has been received by the Administrator. Subsequent applications may be made by telephone or sent by facsimile or post or other electronic means. A Shareholder who places an order by telephone is deemed to have consented to the recording of such telephone order and must provide the following information:

- the Shareholder name and account number and the address and/or facsimile number to which the contract note is to be sent;
- the Fund name and class of Shares being subscribed for;
- the amount of cash or Shares to be invested;
- a statement as to how settlement will be made; and
- confirmation that the application has been made in compliance with the terms and conditions of the latest Prospectus.

This information will be confirmed to the Shareholder over a recorded telephone line.

Initial and subsequent subscriptions for Shares will be subject to ongoing money laundering checks.

Telephone requests will only be processed provided that the Shareholder name and account number, and the name, address and/or facsimile number to which the contract note is to be sent corresponds to that listed as the Shareholder of record registered with the Administrator. Should the Shareholder designate that the contract note be sent to a name and/or address which differs from that registered with the Administrator, written confirmation of this change must be submitted by the Shareholder and received by the Administrator before the order will be processed.

If payment in full in cleared funds in respect of an application has not been received by the relevant Valuation Point (as specified in Section 1 for the relevant Sub-Fund) or in the event of non-clearance, any provisional allotment of Shares made in respect of such application may be cancelled. In such circumstances the Directors may charge the applicant for any expense incurred by the Fund and for any loss to the Fund arising out of such non-receipt or non-clearance.

Subscription monies in respect of each Sub-Fund are payable in the relevant Base Currency by electronic transfer to the account set out on the Application Form and the Subscription Form.

The Directors may at their absolute discretion, provided that they are satisfied that no material prejudice would result to any existing Shareholders and subject to the provisions of the Companies Acts 1963 to 2009 and the Regulations, allot Shares of any class of a Sub-Fund against the vesting in the Funds of investments which would form part of the assets of the relevant Sub-Fund. The number of Shares of a Sub-Fund to be issued in this way shall be the number which would on the day the investments are vested in the relevant Sub-Fund of the Fund have been issued for cash against the payment of a sum equal to the value of the investments. The value of the investments to be vested shall be calculated on such basis as the Directors may decide, but such value cannot exceed the highest amount at which they would be valued by applying the valuation methods described under the heading **Issue and Repurchase Prices/Calculation of Net Asset Value/Valuation of Assets** below.

The Minimum Initial Subscription for Shares of a Sub-Fund that may be subscribed for by each Shareholder on initial application is set out in Section 1. Thereafter, existing Shareholders may make additional subscriptions for Shares of that Sub-Fund in the amount (if any) as set out in Section 1.

Fractions of not less than 0.01 of a Share may be issued. Subscription monies representing smaller fractions of Shares will not be returned to the applicant but will be retained as part of the assets of the relevant Sub-Fund.

The Application Form contains certain conditions regarding the application procedure for Shares in the Fund and certain indemnities in favour of the Fund, the Investment Manager, the Administrator, the Custodian, the Marketing Agent and the other Shareholders for any loss suffered by them as a result of such applicant or applicants acquiring or holding Shares in the Fund.

The method of establishing the Net Asset Value of any Sub-Fund and the Net Asset Value per Share of any class of Shares in a Sub-Fund is set out in the Articles and described herein under the heading **Issue and Repurchase Prices/Calculation of Net Asset Value/Valuation of Assets** below. Shares may not be issued or sold by the Fund during any period when the calculation of the Net Asset Value of the relevant Sub-Fund is suspended in the manner described under the heading **Suspension of Calculation of Net Asset Value** below. Applicants for Shares will be notified of such suspension and, unless withdrawn, their applications will be considered as at the next Dealing Day following the ending of such suspension.

Measures provided for in the Criminal Justice Act 1994 and the Criminal Justice Act (Miscellaneous Provisions) Act 1997 which are aimed towards the prevention of money laundering may require detailed verification of each applicant's identity; for example an individual may be required to produce a duly certified copy of his passport or identification card together with evidence of his address such as a utility bill or bank statement and his date of birth. In the case of corporate applicants this may require production of a certified copy of the certificate of incorporation (and any change of name), memorandum and articles of association (or equivalent), the names, occupations, dates of birth and residential and business address of the directors of the company.

Depending on the circumstances of each application, a detailed verification may not be required where; (a) the investor makes payment from an account held in the applicant's name at a recognised financial institution, or (b) the application is made through a recognised intermediary, or (c) investment is made by a recognised intermediary or financial institution. These exceptions will only apply if the financial institution or intermediary referred to above is located in a country which has equivalent anti money laundering legislation to that in place in Ireland. Applicants may contact the Investment Manager in order to determine whether they meet the above exceptions.

The Administrator and the Investment Manager reserve the right to request such information as is necessary to verify the identity of an applicant. 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 subscription monies.

### **Repurchases of Shares**

Requests for the repurchase of Shares should be made to the Administrator in writing on the appropriate repurchase form available from the Administrator or the Marketing Agent (requests by facsimile or telephone or other electronic means will be treated as definite orders and will not be capable of revocation without the consent of the Administrator) and requests received on or prior to the relevant Dealing Deadline will normally be dealt with on the relevant Dealing Day. Repurchase instructions may be sent by telephone or facsimile or other electronic means (provided that such electronic means are in accordance with the requirements of the Central Bank) with the appropriate written authorisation to follow in the post, provided there are no changes to the details set out in the original application form, otherwise the original signed Repurchase Form must be promptly sent by courier, post or airmail to the Administrator together with suitable evidence to support the change of detail as may be required.

When making a repurchase request by telephone, the Shareholder must also provide the following information:

- the Shareholder name and the account number and the address and/or facsimile number to which the contract note is to be sent;
- the class of Shares being repurchased; and
- confirmation that the repurchase request has been made in compliance with the terms and conditions of the latest Prospectus.

This information will be confirmed to the Shareholder over a recorded telephone line. In such instances, no written confirmation of the repurchase request need be sent to the Fund.

Repurchase requests received after the relevant Dealing Deadline shall (unless otherwise determined by the Directors and provided they are received before the relevant Valuation Point) be treated as having been received by the following relevant Dealing Deadline. A repurchase request will not be capable of withdrawal after submission to the Administrator, unless such withdrawal is approved by the Directors, acting in their absolute discretion. The Directors may, in their absolute discretion and subject to the prior approval of the Custodian, agree to designate additional Dealing Days and Valuation Points for the repurchase of Shares relating to any Sub-Fund and shall notify Shareholders accordingly.

The Fund may decline to effect a repurchase request which would have the effect of reducing the value of any holding of Shares by any Shareholder relating to any Sub-Fund below the Minimum Holding (if any) for that Sub-Fund. Any repurchase request having such an effect may be treated by the Fund as a request to purchase the Shareholder's entire holding.

Payment of repurchase proceeds will be made to the registered Shareholder or in favour of the joint registered Shareholders as appropriate unless the Administrator is otherwise instructed in writing by the registered Shareholder or joint registered Shareholders.

When a repurchase request has been submitted by an investor who is or is deemed to be a Taxable Irish Person, the Fund shall deduct from the repurchase proceeds an amount which is equal to the tax payable to the Revenue Commissioners in Ireland in respect of the relevant transaction.

An exit charge of up to 2.0% of any gross redemption proceeds may be imposed at the sole discretion of the Directors. Under normal circumstances no exit fee will be charged. However, the Directors may impose such a charge if they determine that a Shareholder is purchasing or selling Shares on considerations of a short term nature or for trading or arbitrage purposes.

The amount due on repurchase of Shares will usually be paid by electronic transfer at the Shareholder's expense in the Base Currency of the relevant Sub-Fund (or in such other currency as may be approved by the Directors from time to time) on the same Dealing Day as the Administrator received the repurchase request, unless a longer period is set forth in Section 1 with respect to a particular Sub-Fund and subject to receipt of completed repurchase request and any other documentation required by the Administrator.

The Fund is entitled to limit the number of Shares of any Sub-Fund repurchased on any Dealing Day to Shares representing not more than 10% of the Net Asset Value of that Sub-Fund on that Dealing Day. In this event, the limitation will apply pro rata so that all Shareholders wishing to have Shares of that Sub-Fund repurchased on that Dealing Day realise the same proportion of their Shares. Shares not repurchased, but which would otherwise have been repurchased, will be carried forward for repurchase on the next Dealing Day and will be dealt with in priority (on a pro rata basis) to repurchase requests received subsequently. If requests for repurchase are so carried forward, the Administrator will inform the Shareholders affected.

The Articles contain special provisions with respect to a repurchase request received from a Shareholder which would result in Shares representing more than 5% of the Net Asset Value of any Sub-Fund being repurchased by the Fund on any Dealing Day. In such a case, the Fund may satisfy the repurchase request in whole or in part by a distribution of investments of the relevant Sub-Fund in

specie, provided that such a distribution would not be prejudicial to the interests of the remaining Shareholders of that Sub-Fund. Where a Shareholder requesting such repurchase receives notice of the Fund's intention to elect to satisfy the repurchase request by such a distribution of assets, the Shareholder may require that the Fund, instead of transferring those assets, arrange for their sale and the payment of the net proceeds of sale to that Shareholder.

The Fund may repurchase all the Shares of any Sub-Fund if, at any time after the initial issue of such Shares, the Net Asset Value of the relevant Sub-Fund is less than Stg£25 million or its equivalent in the Base Currency of the relevant Sub-Fund.

### Exchange of Shares

Shareholders will be able to apply to exchange on any Dealing Day all or part of their holding of Shares of any class (the **Original Class**) for Shares of another class (such class being either in the same Sub-Fund or in a separate Sub-Fund) which are being offered at that time (the **New Class**) provided that all the criteria for applying for Shares in the New Class have been met, by giving notice to the Administrator on behalf of the Fund on or prior to the Dealing Deadline for the relevant Dealing Day. The Directors however may at their discretion agree to accept requests for exchange received after that time provided they are received prior to the relevant Valuation Point. The general provisions and procedures relating to repurchases will apply equally to exchanges. All exchanges will be treated as a repurchase of the Shares of the Original Class and application of the net proceeds to the purchase of Shares of the New Class, based upon the then current issue and repurchase prices of Shares in each Sub-Fund. The Articles allow for an exchange fee of up to 0.5% of the total repurchase price of the Shares of the Original Class repurchased to be charged, and the Directors reserve the right to impose such a fee within this limit as shall be set out in Section 1 in respect of each Sub-Fund.

The number of Shares of the New Class to be issued will be calculated in accordance with the following formula:

$$S = \frac{R \times (RP \times ER) - F}{SP}$$

where:

- R** = the number of Shares of the Original Class to be exchanged;
- S** = the number of Shares of the New Class to be issued;
- RP** = the repurchase price per Share of the Original Class as at the Valuation Point for the relevant Dealing Day;
- ER** = in the case of an exchange of Shares designated in the same Base Currency is 1. In any other case, it is the currency conversion factor determined by the Directors on or about the Valuation Point for the relevant Dealing Day as representing the effective rate of exchange applicable to the transfer of assets relating to the Original and New Classes of Shares after adjusting such rate as may be necessary to reflect the effective costs of making such transfer;
- SP** = the issue price per Share of the New Class for issue on the applicable Dealing Day;  
and
- F** = the exchange charge, if any payable to the Fund, or as it may direct, on the exchange of Shares.

Where there is an exchange of Shares, Shares of the New Class will be allotted and issued in respect of and in proportion to the Shares of the Original Class in the proportion S to R.

Shares may not be exchanged for Shares of a different class during any period when the calculation of the Net Asset Value of the relevant Sub-Fund is suspended in the manner described under **Suspension of Calculation of Net Asset Value** below. Applicants for exchange of Shares will be

notified of such postponement and, unless withdrawn, their applications will be considered as at the next Dealing Day following the ending of such suspension.

When requesting the exchange of Shares as an initial investment in a Sub-Fund, Shareholders should ensure that the value of the Shares exchanged is equal to or exceeds the Minimum Initial Subscription for the relevant New Class specified in Section 1. In the case of an exchange of a partial holding only, the value of the remaining holding must also be at least equal to the Minimum Holding for the Original Class.

An exit charge of up to 2.0% of any gross redemption proceeds may be imposed at the sole discretion of the Directors.

## **Other Dealing Information**

### *Money Laundering*

As a result of legislation in force to prevent money laundering, persons conducting investment business are responsible for compliance with money laundering regulations. Accordingly, in certain circumstances Shareholders may be asked to provide proof of identity when buying or selling Shares and, until satisfactory proof of identity is provided, the Administrator and the Investment Manager reserves the right to refuse to issue or redeem Shares or to delay processing and/or withhold any payments due to n respect of their investment and to discontinue any deals it is conducting on behalf of those Shareholders. No interest will be payable in respect of sums held pending receipt of a satisfactory proof of identity. The Administrator and the Investment Manager also reserve the right to request additional information or proof of identity, in order to validate any element of a transaction and to comply with any relevant money laundering regulations. The checks on identity may include an electronic search of information held on the electoral roll and the use of credit reference agencies and in applying to buy Shares an investor gives permission to access this information in accordance with the provisions of the Irish Data Protection Acts 1998 to 2003.

For example, an individual may be required to produce a duly certified copy of his passport or identification card together with evidence of his address such as a utility bill or bank statement and his date of birth. In the case of corporate applicants this may require production of a certified copy of the certificate of incorporation (and any change of name), memorandum and articles of association (or equivalent), the names, occupations, dates of birth and residential and business address of the directors of the company.

## **Issue and Repurchase Prices/Calculation of Net Asset Value / Valuation of Assets**

The issue price for Shares of each Sub-Fund shall be the amount(s) set out in Section 1.

The price at which Shares of any Sub-Fund will be issued on a Dealing Day, after the initial issue during the initial offer period, is calculated by ascertaining the Net Asset Value of the relevant Sub-Fund (i.e. the value of the assets of the Sub-Fund having deducted the liabilities of the Sub-Fund therefrom) as at the Valuation Point for that Sub-Fund for the relevant Dealing Day. The Net Asset Value per Share of the relevant Sub-Fund is calculated by dividing the Net Asset Value of the relevant Sub-Fund, by the total number of Shares in issue in the Sub-Fund at the relevant Valuation Point and rounding the result to two decimal places. Where applicable, the Net Asset Value per Share of each class in a Sub-Fund is calculated by determining that portion of the Net Asset Value of the Sub-Fund which is attributable to the relevant class and by dividing this sum by the total number of Shares of the relevant class in issue at the relevant Valuation Point and rounding the resulting amount to two decimal places. If a Sub-Fund has more than one class of Share, additional fees may be charged against certain classes, and details of such fees will be set forth in Section 1 for the relevant Sub-Fund. This may result in the Net Asset Value per Share of each class being different. The Valuation Point for each Sub-Fund is set out in Section 1.

The price at which Shares will be issued on a Dealing Day is, subject as hereinafter provided, the Net Asset Value per Share of the relevant class which is calculated in the manner described above. The Fund may, in calculating the issue price, include in the issue price in respect of each Sub-Fund, for its own account, a charge sufficient to cover stamp duties and taxation (if any) in respect of the issue of

Shares. The Fund may also add a charge in respect of fiscal and purchase charges on investments. Applicants may also be charged a preliminary charge as specified in Section 1.

The price at which Shares will be repurchased on a Dealing Day, is subject as hereinafter provided, the Net Asset Value per Share of the relevant class which is calculated in the manner described above. The Fund may, in calculating the repurchase price, deduct from the Net Asset Value per Share a charge in respect of fiscal and sales charges. Applicants may also be charged a repurchase charge as specified in Section 1 hereof.

The Fund may, in calculating the repurchase price deduct such sum as it considers fair, in respect of repurchase requests for which in order to satisfy the Fund will need to borrow, break deposits at a penalty or realise investments at a discount.

The Articles provide for the method of valuation of the assets and liabilities of each Sub-Fund.

In particular, the Articles provide that the amortised cost method of valuation may be used to determine the value of any investments with a residual maturity of 397 days or less. Under the amortised cost method, the Fund's investments are valued at their acquisition cost as adjusted for amortisation of premium or accretion of discount rather than at current market value. The Administrator shall at least weekly determine the extent to which the Net Asset Value using this method of valuation deviates from the Net Asset Value which would be obtained using available market quotations. Material discrepancies between the market value and the amortised cost value of a money market instrument will be brought to the attention of the Investment Manager. Discrepancies in excess of 0.1% (or such lesser amount as the Directors may determine) of the Net Asset Value will be brought to the attention of the Investment Manager. Discrepancies in excess of 0.2% (or such lesser amount as the Directors may determine) of the Net Asset Value will be brought to the attention of the Directors and the Custodian. Discrepancies in excess of 0.3% of the Net Asset Value will be reviewed by the Administrator daily and the Directors will notify the Central Bank with an indication of the action, if any, which will be taken to reduce such dilution.

Amortised cost valuation may also be applied to (i) floating rate investments with an annual or shorter interest reset date and with a residual maturity of two years or less provided that the Directors have determined that such investments have a market value that approximates the amortised cost valuation and (ii) high credit quality investments with a residual maturity of up to five years which meet with the conditions set out at (i) above and where procedures are adopted to ensure that the valuation of such assets using the amortised cost value does not vary significantly from the true market value of such assets.

In the event that the amortised cost method of valuation is deemed by the Directors not to be the appropriate method of calculating the value of any investments listed or dealt in on a market that the value of such be the last traded price on the relevant market at the relevant Valuation Point. Where any investment is listed or dealt in on more than one market the Directors shall select the market which constitutes the main securities market they determine provides the fairest criteria in a value for the security.

In the event that the amortised cost method of valuation is deemed by the Directors not to be the appropriate method of calculating the value of any investment which is not listed or dealt in on a market or of any investment which is normally listed or dealt in on a market but in respect of which no last traded price is currently available or the current price of which does not in the opinion of the Directors represent fair market value shall be the probable realisation value thereof estimated with care and in good faith by the Directors or by a competent person, in each case approved, for such purpose, by the Custodian. In determining the probable realisation value of any such investment, a certified valuation thereof provided by a competent independent person or in the absence of any independent person, the Investment manager, who in the each case shall have been approved for such purposes by the Custodian, shall be sufficient.

Cash and other liquid assets will be valued at their face value plus interest accrued, where applicable.

Forward foreign exchange contracts shall be valued by reference to the price as at the Valuation Point at which a new forward contract of the same size and maturity could be undertaken or if unavailable at the settlement price provided by the counterparty.

The value of any exchange traded futures contracts, share price index futures contracts and options shall be based on the settlement price as determined by the market in question as at the Valuation Point. Where the settlement price is not available the value of such contract shall be its probable realisation value which must be estimated with care and in good faith by a competent person appointed by the Directors and approved for the purpose by the Custodian.

The value of any off-exchange derivative contracts shall be the quotation from the counterparty to such contracts at the Valuation Point and shall be valued at least daily. The valuation will be approved or verified at least weekly by a party independent of the counterparty who has been approved for such purpose by the Custodian.

The valuation of units or shares or other similar participations in any collective investment scheme which provides for the units or shares or other similar participations therein to be redeemed at the option of the holder out of the assets of that undertaking shall be valued at the last available Net Asset Value per unit or share or other relevant participation as at the relevant Valuation Point or, if bid and offer prices are published, at the bid price.

If in any case a particular value is not ascertainable as provided above, the method of valuation of the relevant investment shall be such as the Directors, with the approval of the Custodian, shall decide.

Notwithstanding the generality of the foregoing, the Directors may with the approval of the Custodian adjust the value of any investment if taking into account currency, marketability and/or such other considerations as they may deem relevant, such as, applicable rate of interest, anticipated rate of dividend, maturity or liquidity, they consider that such adjustment is required to reflect the fair value thereof.

In circumstances where the Directors have resolved to operate a policy of smoothing in relation to any Sub-Fund, any cumulative net realised capital gains or losses arising within a Sub-Fund which would have an impact on the Net Asset Value per Share, may at the discretion of the Directors or their duly appointed delegate, be spread at an appropriate rate over an appropriate period as determined to be in the best interests of the Shareholders.

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

The Fund may at any time temporarily suspend the calculation of the Net Asset Value of any Sub-Fund and the right of Shareholders to require the repurchase or exchange of Shares of any class during (i) any period when any of the principal markets or stock exchanges on which a substantial part of the investments of the relevant Sub-Fund are quoted is closed, otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended; (ii) any period when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility and power of the Directors, disposal or valuation of investments of the relevant Sub-Fund is not reasonably practicable without this being seriously detrimental to the interests of Shareholders of the relevant Sub-Fund or if, in the opinion of the Directors, the Net Asset Value of the Sub-Fund cannot fairly be calculated; (iii) any breakdown in the means of communication normally employed in determining the price of any of the Sub-Fund's investments and other assets or when for any other reason the current prices on any market or stock exchange of any assets of the relevant Sub-Fund cannot be promptly and accurately ascertained; (iv) any period during which the Fund is unable to repatriate funds required for the purpose of making payments due on repurchase of Shares of any class in the Sub-Fund or during which the transfer of funds involved in the acquisition or realisation of investments or payments due on repurchase of Shares cannot, in the opinion of the Directors, be effected at normal prices or normal rates of exchange; or (v) any period where in the opinion of the Directors such suspension is justified having regard to the interests of the Fund; (vi) following the circulation to the relevant shareholders of a notice of a general meeting at which a resolution proposing to wind-up the Fund or terminate the relevant Sub-Fund is to be considered. The Central Bank may also require the suspension of repurchase of Shares of any class in the interests of the Shareholders or the public. The Fund will, whenever possible, take all reasonable steps to bring any period of suspension to an end as soon as possible.

Shareholders who have requested issue or repurchases of Shares of any class or exchanges of Shares of one class to another will be notified of any such suspension in such manner as may be

directed by the Directors and their requests will be dealt with on the first Dealing Day after the suspension is lifted. Any such suspension shall be notified immediately and in any event within the same business day, to the Central Bank and the Irish Stock Exchange.

### **Sub-Fund Transactions and Conflicts of Interest**

Subject to the provisions of this section, the Investment Manager, the Administrator, the Custodian, any Shareholder, other Companies within the Lloyds Banking Group and any of their respective subsidiaries, affiliates, associates, agents or delegates (each a **Connected Person**), may contract or enter into any financial, banking or other transaction with one another or with the Fund, including without limitation, investment by the Fund in securities of a Shareholder, or investment by any Connected Persons in any company or body any of whose investments form part of the assets comprised in any Sub-Fund or be interested in any such contract or transactions. In particular, without limitation, any Connected Person may invest in and deal with Shares relating to any Sub-Fund or any property of the kind included in the property of the Fund for their respective individual accounts or for the account of someone else.

In addition, any cash of the Fund may be deposited, subject to the provisions of the Central Bank Acts, 1942 to 1998 of Ireland, with any Connected Person or invested in certificates of deposit or banking instruments issued by any Connected Person. Banking and similar transactions may also be undertaken with or through a Connected Person.

Any Connected Person may also deal as agent or principal in the sale or purchase of securities and other investments to or from the Fund through the Custodian or any subsidiary, affiliate, associate, agent or delegate thereof. There will be no obligation on the part of any such Connected Person to account to Shareholders for any benefits so arising, and any such benefits may be retained by the relevant party, provided that such transactions are carried out as if effected on normal commercial terms negotiated at arm's length, are consistent with the best interests of Shareholders, and

1. a certified valuation of such transaction by a person approved by the Custodian as independent and competent has been obtained; or
2. such transaction has been executed on best terms reasonably obtainable on an organised investment exchange under its rules; or
3. where neither 1 nor 2 are practicable, such transaction has been executed on terms which the Custodian is (or in the case of any such transaction entered into by the Custodian, the Directors are) satisfied conform with the principle that such transactions be carried out as if effected on normal commercial terms negotiated at arm's length.

The Investment Manager may also, in the course of its business, have potential conflicts of interest with the Fund in circumstances other than those referred to above. The Investment Manager will, however, have regard in such event to its obligations under the Investment Management Agreement and, in particular, to its obligations to act in the best interests of the Fund and the Shareholders so far as practicable, having regard to its obligations to other clients when undertaking any investments where conflicts of interest may arise. In the event that a conflict of interest does arise the Directors will endeavour to ensure that such conflicts are resolved fairly, and that investment opportunities are allocated fairly.

In addition, the Investment Manager's Group has established and implemented a conflicts policy pursuant to the FSA Rules (which may be revised and updated from time to time). The conflicts policy sets out how members of the Investment Manager's Group must seek to identify and manage all material conflicts of interest. Such conflicts of interest can occur in day to day business activities, for example, where one of the Investment Manager's Group member's clients could make a gain at the direct expense of another Investment Manager's Group member's client, or a Investment Manager's Group member might be faced with an opportunity to make a gain but this would be to the direct disadvantage of one or more of the Investment Manager's Group's clients.

Depending on the exact nature of the conflict of interest involved, an Investment Manger's Group member may take certain actions in accordance with the conflicts policy to mitigate the potential impact of the conflict. Such actions may include putting in place controls between the opposing sides

of the conflict, which may control or prevent the exchange of information and/or involve the appropriate management of staff activities and segregation of duties. Where such controls would be insufficient to eliminate the potential material risk of damage to clients from specific conflicts, the relevant Investment Manager's Group member will disclose the general nature and/or source of those conflicts of interest to the Directors prior to undertaking the relevant business. The conflicts policy is available to Shareholders on request.

The Directors may act as directors of other collective investment vehicles.

## **Charges and Expenses**

- **Investment Management Charges and Expenses**

The Fund is responsible for all of the Investment Manager's fees as set out in Section 1 together with all of the Investment Manager's reasonable out-of-pocket expenses incurred in the proper performance of its duties. In addition, the Fund will reimburse the reasonable travelling and hotel expenses of any officer or employee of the Investment Manager.

- **Custodian and Administration Charges and Expenses**

The fees and reasonable expenses of the Custodian and the Administrator will be paid by the Investment Manager from its own fee. Such fees will accrue and be calculated on each Dealing Day and will be payable monthly in arrears.

- **Marketing Agent Charges and Expenses**

The fees and reasonable expenses of the Marketing Agent will be paid by the Investment Manager from its own fee. Such fees will accrue and be calculated on each Dealing Day and will be payable monthly in arrears.

- **Sales charges**

Details of the preliminary charge payable on subscription for Shares (if any) and/or the repurchase charge payable on repurchase of Shares (if any) and/or the exchange charge payable on the exchange of Shares (if any) are set out in respect of the Shares of each Sub-Fund in Section 1.

- **Directors' remuneration**

The Directors who are not directors, officers or employees of the Investment Manager or any affiliate thereof will be entitled to remuneration from the Fund for their services as Directors of such amount as may be approved by resolution of the Directors or the Fund in general meeting, from time to time. The aggregate emoluments of each Director in respect of the twelve month accounting period ending 31 December 2011 is not expected to exceed €40,000. In addition, the Directors will also be entitled to be reimbursed for their reasonable and vouched out of pocket expenses incurred in discharging their duties as Directors.

- **Ongoing Charges and Expenses**

The Fund will pay any fees in respect of circulating details of the Net Asset Value, stamp duties, taxes, company secretarial fees, brokerage or other expenses of acquiring and disposing of investments, the fees and expenses of the auditors, tax, legal advisers and other professional advisors of the Fund appointed in any jurisdiction and fees connected with listing the Shares on the Irish Stock Exchange, any fees payable to regulatory bodies, trade bodies and rating agencies. The costs of printing and distributing reports, accounts and any explanatory memoranda, the costs of registering the Fund for sale in any jurisdiction, including without limitation translation, printing and publishing costs, the fees and expenses of any paying agents appointed in any jurisdiction (which fees will be at normal commercial rates), local legal costs and any costs incurred as a result of periodic updates of the Prospectus, or of a change in law or the introduction of any new law (including any costs incurred as a result of

compliance with any applicable code, whether or not having the force of law) will also be paid by the Fund.

Such fees, duties and charges will be charged to the Sub-Fund in respect of which they were incurred or, where an expense is not considered by the Directors to be attributable to any one Sub-Fund, the expense will be allocated by the Directors with the approval of the Custodian, in such manner and on such basis as the Directors in their discretion deem fair and equitable. 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 period.

- **Establishment Charges and Expenses**

The cost of establishing a Sub-Fund and the expenses of the initial offer of Shares in a Sub-Fund, including printing and marketing costs and the fees of all professionals relating to it, will be borne by the Sub-Fund and will be amortised over the first financial year of the Sub-Fund's operation (or such other period as may be determined by the Directors at their discretion) (the **amortisation period**) and charged to the Sub-Fund (including at the discretion of the Directors subsequent Sub-Funds established by the Fund within such amortisation period) on such terms and in such manner as may be agreed between the Fund and the Investment Manager.

- **Soft Commissions**

It is not currently intended that any soft commission arrangements will be made in respect of the Fund. In the event that the Investment Manager or any of its subsidiaries, affiliates, associates, agents or delegates does enter into soft commission arrangement(s) they shall ensure that (i) the broker or counterparty to the arrangement will agree to provide best execution to the Fund; (ii) that the benefits under the arrangement(s) shall be those which assist in the provision of investment services to the relevant Sub-Fund and (iii) brokerage rates will not be in excess of customary institutional full service brokerage rates. Details of any such arrangements will be contained in the next following report of the Fund. In the event that this is the unaudited semi-annual report, details shall also be included in the following annual report.

## IRISH TAXATION

### General

The following statement on taxation is based on advice received by the Directors regarding the law and practice in force in Ireland at the date of this document. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment in the Fund is made will endure indefinitely.

Prospective Shareholders should familiarise themselves with and, where appropriate, take advice on the laws and regulations (such as those relating to taxation and exchange controls) applicable to the subscription for, and the holding and repurchase of, Shares in the places of their citizenship, residence and domicile.

Shareholders who are neither resident nor ordinarily resident in Ireland in respect of whom the appropriate declarations have been made may be subject to tax in their local jurisdiction on any distributions from the Fund or any gain arising on redemption, repurchase or transfer of their Shares provided the Shares are not held through a branch or agency in Ireland. No tax will be deducted from any payments made by the Fund to those Shareholders who are not Taxable Irish Persons.

## **Tax On Income And Capital Gains**

- **The Fund**

The Directors have been advised that the Fund will only be subject to tax on chargeable events in respect of Shareholders who are Taxable Irish Persons (generally persons who are resident or ordinarily resident in Ireland for tax purposes).

A chargeable event occurs on:

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

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

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

Where tax is payable on a chargeable event, subject to the comments below, it is a liability of the Fund which is recoverable by deduction or in the case of a transfer and on the eight year rolling chargeable event by cancellation or appropriation of Shares from the relevant Shareholders. In certain circumstances, and only after notification by the Fund to a Shareholder, the tax payable on the eight year rolling chargeable event can, at the election of the Fund, become a liability of the Shareholder rather than the Fund. In such circumstances, the Shareholder must file an Irish tax return and pay the appropriate tax (at the rate set out below) to the Irish Revenue Commissioners.

In the absence of the appropriate declaration being received by the Fund that a Shareholder is not a Taxable Irish Person or if the Fund has information that would reasonably suggest that a declaration is incorrect and in the absence of written notice of approval from the Irish Revenue Commissioners to the effect that the requirement to have been provided with such a declaration is deemed to have been complied with (or following the withdrawal of failure to meet any conditions attaching to such approval), the Fund will be obliged to pay tax on the occasion of a chargeable event. Where the chargeable event is an income distribution tax will be deducted at the rate of 27% on the amount of the distribution. Where the chargeable event occurs on any other payment to a Shareholder, on a transfer of Shares and on the eight year rolling chargeable event, tax will be deducted at the rate of 30% on the increase in value of the shares since their acquisition. In respect of the eight year rolling chargeable event, there is a mechanism for obtaining a refund of tax where the Shares are subsequently disposed of for a lesser value.

The Finance Act 2007 introduced an anti-avoidance provision that increases the 28% rate of tax to 50% if, under the terms of an investment in a fund, the investor or certain persons associated with the investor have an ability to influence the selection of the assets of that fund.

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

- **Shareholders**

Shareholders who are neither resident nor ordinarily resident in Ireland in respect of whom the appropriate declarations have been made (or in respect of whom written notice of approval from the Irish Revenue Commissioners has been obtained by the Fund to the effect that the requirement to have been provided with such declaration from that Shareholder or class of Shareholder to which that Shareholder belongs is deemed to have been complied with) will not be subject to tax on any distributions from the Fund or any gain arising on redemption,

repurchase or transfer of their Shares provided the Shares are not held through a branch or agency in Ireland and the Shares, if unlisted, do not derive the greater part of their value from Irish land or mineral rights. No tax will be deducted from any payments made by the Fund to those Shareholders who are not Taxable Irish Person.

Shareholders who are Irish resident or ordinarily resident or who hold their Shares through a branch or agency in Ireland may have a liability under the self-assessment system to pay tax, or further tax, on any distribution or gain arising from their holdings of Shares. In particular, where the Fund has elected not to deduct tax on the occasion of the eight year rolling chargeable event, a Shareholder will have an obligation to file a self assessment tax return and pay the appropriate amount of tax to the Irish Revenue Commissioners.

Refunds of tax where a relevant declaration could be made but was not in place at the time of a chargeable event are generally not available except in the case of certain corporate Shareholders within the charge to Irish corporation tax.

### **Stamp duty**

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

### **Capital acquisitions tax**

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

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

### **Other tax matters**

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

### **EU Savings Tax Directive**

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

Austria and Luxembourg may opt instead to withhold tax from interest payments within the meaning of the directive. Belgium previously operated a withholding system but changed to the provision of information with effect from 1 January 2010.

Ireland has implemented the directive into national law. Any Irish paying agent making an interest payment on behalf of the Fund to an individual, and certain residual entities defined in the TCA, resident in another Relevant Territory may have to provide details of the payment to the Irish Revenue Commissioners who in turn will provide such information to the competent authorities of the Relevant Territory of residence of the individual or residual entity concerned.

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

## **GENERAL INFORMATION**

### **Reports and Accounts**

The Fund's year end is 31 December in each year. The annual report and audited accounts of the Fund will be sent to Shareholders and the Companies Announcement Office of the Irish Stock Exchange within four months after the conclusion of each accounting year and at least 21 days before the general meeting of the Fund at which they are to be submitted for approval. The Fund will also send a semi-annual report and unaudited accounts to Shareholders and the Companies Announcement Office of the Irish Stock Exchange within two months after the end of each semi-annual period which will be 30 June in each year.

Such reports and accounts will contain a statement of the Net Asset Value of each Sub-Fund and of the investments comprised therein as at the year end or the end of such semi-annual period.

### **Form of Shares and Transfer of Shares**

Shares will be issued in registered form. Share certificates will not be issued. Contract notes confirming ownership of Shares will be sent to all applicants within three Business Days of receipt of subscription monies in cleared funds and receipt of the original Application and Subscription Forms together with any documentation required by the Administrator.

Shares in each Sub-Fund will be transferable by instrument in writing signed by (or, in the case of a transfer by a body corporate, signed on behalf of or sealed by) the transferor provided always that the transferee completes an Application Form to the satisfaction of the Administrator and furnishes the Administrator with any documents required by it. In the case of the death of one of joint Shareholders, the survivor or survivors will be the only person or persons recognised by the Fund as having any title to or interest in the Shares registered in the names of such joint Shareholders.

Shares may not be transferred to a United States Person (except pursuant to an exemption available under the laws of the United States and with the approval of the Directors). Registration of any transfer may be refused by the Directors if following the transfer either the transferor or the transferee would hold Shares having a value less than the Minimum Holding for the relevant Sub-Fund (if any) specified in Section 1 hereof.

If the transferor is or is deemed to be a Taxable Irish Person the Fund may repurchase and cancel a sufficient portion of the transferor's Shares as will enable the Fund to pay the tax payable in respect of the transfer to the Revenue Commissioners in Ireland.

### **Notification of Prices**

The Net Asset Value per Share of each class in each Sub-Fund together with the dividend yield will be available from the Administrator and will be notified without delay to the Irish Stock Exchange following calculation. Details of the most up to date Net Asset Value per Share are also available from the website of Scottish Widows at [www.swip.com/liquidity](http://www.swip.com/liquidity). Details are also available from Bloomberg.

## **Directors' Confirmation**

The Directors confirm that the Fund was incorporated on 18 December 2001. Shares in the Sterling Liquidity Fund commenced trading on 14 March 2002. Shares in the Euro Liquidity Fund commenced trading on 10 September 2003. At the date of the Prospectus the Fund has no subsidiaries.

## **Incorporation and Share Capital**

The Fund was incorporated and registered in Ireland as an open-ended umbrella investment company with variable capital on 18 December 2001 with registered number 351460. Pursuant to a special resolution of the Shareholders of the Fund passed on 18 May 2006, the Fund adopted segregated liability between its Sub-Funds.

At the date hereof the authorised share capital of the Fund is (and was at the date of incorporation) 1,000,000,000,000 shares of no par value initially designated as unclassified shares and available for issue as Shares:

At 20 June 2011 the issued share capital of the Fund was:

£16,670,811,153.03 for the Sterling Sub-Fund and €652,643,299.61 for the Euro Sub-Fund.

## **Memorandum and Articles of Association**

Clause 2 of the Memorandum of Association provides that the sole object of the Fund is the collective investment in transferable securities and/or other financial instruments of capital raised from the public operating on the principle of risk-spreading in accordance with the Regulations.

The Articles contain provisions to the following effect:

### **1 *Directors' Authority to Allot Shares***

The Directors are generally and unconditionally authorised to exercise all powers of the Fund to allot relevant securities, including fractions thereof, up to an amount equal to the authorised but as yet unissued share capital of the Fund.

### **2 *Variation of rights***

The rights attached to any class may be varied or abrogated with the consent in writing of the holders of three-fourths in number 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 the shares of the class, and may be so varied or abrogated either whilst the Fund is a going concern or during or in contemplation of a winding-up. The quorum at any such separate general meeting, other than an adjourned meeting, shall be two persons holding or representing by proxy at least one third of the issued shares of the class in question and the quorum at an adjourned meeting shall be one person holding shares of the class in question or his proxy.

### **3 *Voting Rights***

Subject to disenfranchisement in the event of non-compliance with any notice requiring disclosure of the beneficial ownership of shares and subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands at a general meeting or class meeting of the Fund, every Shareholder holding shares who is present in person or by proxy shall have one vote and on a poll every Shareholder present in person or by proxy shall have one vote for every share of which he is the holder.

#### 4 **Change in Share Capital**

The Fund may from time to time by ordinary resolution increase the share capital by such amount and/or number as the resolution may prescribe. The Fund may also by ordinary resolution, consolidate and divide its share capital into shares of larger amount, subdivide its shares into shares of smaller amount or value or cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and reduce the amount of its authorised share capital by the amount of the shares so cancelled or redenominate the currency of any class of shares.

#### 5 **Directors' Interests**

- 5.1 Provided that the nature and extent of his interest shall be disclosed as set out below, no Director or intending Director shall be disqualified by his office from contracting with the Fund nor shall any such contract or arrangement entered into by or on behalf of any other company in which any Director shall be in any way interested be avoided nor shall any Director so contracting or being so interested be liable to account to the Fund for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.
- 5.2 The nature of a Director's interest must be declared by him at the meeting of the Directors at which the question of entering into the contract or arrangement is first taken into consideration, or if the Director was not at the date of that meeting interested in the proposed contract or arrangement at the next meeting of the Directors held after he became so interested.
- 5.3 A Director shall not vote at a meeting of the Directors or a committee of the Directors on any resolution concerning a matter in which he has, directly or indirectly an interest which is material (other than an interest arising by virtue of his interest in shares or debentures or other securities or otherwise in or through the Fund) or a duty which conflicts or may conflict with the interest of the Fund. A Director shall not vote (or be counted in the quorum present) on any resolution in respect of his appointment (or the arrangement of the terms of appointment) to hold any office or place of profit with the Fund.
- 5.4 A Director shall be entitled (in the absence of some other material interest than is indicated under **Directors Interests** below) to vote and be counted in the quorum in respect of any resolutions concerning the following matters, namely:
- 5.4.1 the giving of any security, guarantee or indemnity to him in respect of money lent by him to the Fund or any of its subsidiary or associated companies or obligations incurred by him at the request of or for the benefit of the Fund or any of its subsidiary or associated companies;
  - 5.4.2 the giving of any security, guarantee or indemnity to a third party in respect of a debt or obligation of the Fund or any of its subsidiaries or associated companies for which he himself has assumed responsibility in whole or in part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security;
  - 5.4.3 any proposal concerning any offer of shares or debentures or other securities of or by the Fund or any of its subsidiary or associated companies for subscription, purchase or exchange in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof;
  - 5.4.4 any proposal concerning any other company in which he is interested, directly or indirectly and whether as an officer, shareholder or otherwise howsoever.

The Fund by ordinary resolution may suspend or relax the provisions described above to any extent or ratify any transaction not duly authorised by reason of a contravention thereof.

## 6 ***Borrowing Powers***

Subject to the Regulations, the Directors may exercise all the powers of the Fund to borrow or raise money and charge its undertaking, property and assets (both present and future) and uncalled capital or any part thereof, provided that all such borrowings shall be within the limits laid down by the Central Bank.

## 7 ***Committees***

The Directors may delegate any of their powers to any committee whether or not consisting of Directors. Any such delegation may be made subject to any conditions the Directors may impose, and either collaterally with or to the exclusion of their own powers and may be revoked. Subject to any such conditions, the proceedings of a committee with two or more members shall be governed by the provisions of the Articles of Association regulating the proceedings of Directors so far as they are capable of applying.

## 8 ***Retirement of Directors***

The Directors shall not be required to retire by rotation or by virtue of their attaining a certain age.

## 9 ***Directors' Remuneration***

Unless otherwise determined from time to time by the Fund in general meeting, the ordinary remuneration of each Director shall be determined from time to time by resolution of the Directors. Any Director who holds any executive office (including for this purpose the office of chairman or deputy chairman) or who serves on any committee, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, commission or otherwise as the Directors may determine. The Directors may be paid all travelling, hotel and other expenses properly incurred by them in connection with their attendance at meetings of the Directors or committees established by the Directors or general meetings or separate meetings of the holders of any class of shares of the Fund or otherwise in connection with the discharge of their duties.

## 10 ***Transfer of Shares***

Subject as set out below, the shares of any Shareholder may be transferred by instrument in writing in any usual or common form or any other form which the Directors may approve. The Directors in their absolute discretion and without assigning any reason therefor may decline to register any transfer of a share to a United States Person, any person who, by holding shares, would be in breach of any law or requirement of any country or governmental authority or might result in the Fund incurring any liability to taxation or suffering pecuniary disadvantages and any transfer to or by a minor or a person of unsound mind. The Directors may decline to recognise any instrument of transfer unless it is in respect of one class of share only, is in favour of not more than four transferees and is lodged at the registered office or at such other place as the Directors may appoint.

## 11 ***Right of Repurchase***

Shareholders have the right to request the Fund to repurchase their Shares in accordance with the provisions of the Articles.

## 12 ***Dividends***

The Articles permit the Directors to declare such dividends on any class of shares as appears to the Directors to be justified by the profits of the relevant Sub-Fund. The Directors may, satisfy any dividend due to holders of shares in whole or in part by distributing to them in specie any of the assets of the relevant Sub-Fund, and in particular any investments to which the relevant Sub-Fund is entitled. Any dividend unclaimed for six years from the date of declaration of such dividend shall be forfeited and shall revert to the relevant Sub-Fund.

### **13 Sub-Funds**

- 13.1 The Directors are required to establish a separate portfolio of assets for each Sub-Fund created by the Fund from time to time, to which the following shall apply:-
- 13.1.1 the proceeds from the allotment and issue of shares of each class in the Sub-Fund shall be applied to the Sub-Fund established for that purpose, and the investments and the liabilities and income and expenditure attributable thereto shall be applied to such Sub-Fund subject to the provisions of the Articles;
  - 13.1.2 any asset derived from any other asset(s) (whether cash or otherwise) comprised in any Sub-Fund, shall be applied in the books and records of the Fund to the same Sub-Fund as the asset from which it was derived and any increase or diminution in the value of such an asset shall be applied to the relevant Sub-Fund;
  - 13.1.3 in the event that there are any assets of the Fund which the Directors do not consider are attributable to a particular Sub-Fund or Sub-Funds, the Directors shall, with the approval of the Custodian, allocate such assets to and among any one or more of the Sub-Funds in such manner and on such basis as they, in their discretion, deem fair and equitable; and the Directors shall have the power to and may from time to time, with the approval of the Custodian vary the basis in relation to assets previously allocated;
  - 13.1.4 each Sub-Fund shall be charged with the liabilities, expenses, costs, charges or reserves of the Sub-Fund in respect of or attributable to that Sub-Fund and any such liabilities, expenses, costs, charges, or reserves of the Fund not attributable to any particular Sub-Fund or Sub-Funds shall be allocated and charged by the Directors, with the approval of the Custodian, in such manner and on such basis as the Directors, in their sole and absolute discretion deem fair and equitable, and the Directors shall have the power to and may at any time and from time to time, with the approval of the Custodian, vary such basis including, where circumstances so permit, the re-allocation of such liabilities, expenses, costs, charges and reserves;
  - 13.1.5 if as a result of a creditor proceeding against certain of the assets of the Fund or otherwise, a liability, expense, cost, charge or reserve would be borne in a different manner from that in which it would have been borne under paragraph (d) above or in any similar circumstances, the Directors may transfer in the books and records of the Fund any asset to and from any of the Sub-Funds.

### **14 Sub-Fund Exchanges**

Subject to the provisions of the Articles, a Shareholder holding Shares in any class in a Sub-Fund on any Dealing Day shall have the right from time to time to exchange all or any of such Shares for Shares of another class within the same Sub-Fund or within another Sub-Fund (such class being either an existing class or a class agreed by the Directors to be brought into existence with effect from that Dealing Day).

### **15 Termination of Sub-Fund**

- 15.1 Any Sub-Fund may be terminated by the Directors, in their sole and absolute discretion, by notice in writing to the Custodian in any of the following events:-
- 15.1.1 if at any time the Net Asset Value of the relevant Sub-Fund shall be less than such amount as may be determined by the Directors in respect of that Sub-Fund; or
  - 15.1.2 if any Sub-Fund shall cease to be authorised or otherwise officially approved; or
  - 15.1.3 if any law shall be passed which renders it illegal or in the opinion of the Directors impracticable or inadvisable to continue the relevant Sub-Fund.

- 15.2 The Directors shall give notice of termination of a Sub-Fund to the Shareholders in the relevant Sub-Fund and by such notice fix the date at which such termination is to take effect, which date shall be for such period after the service of such notice as the Directors shall in their sole and absolute discretion determine;
- 15.3 With effect on and from the date as at which any Sub-Fund is to terminate or in the case of (i) below such other date as the Directors may determine:-
- 15.3.1 no Shares of the relevant Sub-Fund may be issued or sold by the Fund;
- 15.3.2 the Investment Manager shall, on the instructions of the Directors, realise all the assets then comprised in the relevant Sub-Fund (which realisation shall be carried out and completed in such manner and within such period after the termination of the relevant Sub-Fund as the Directors think advisable);
- 15.3.3 the Custodian shall, on the instructions of the Directors from time to time, distribute to the Shareholders in proportion to their respective interests in the relevant Sub-Fund all net cash proceeds derived from the realisation of the relevant Sub-Fund and available for the purpose of such distribution, provided that the Custodian shall not be bound (except in the case of the final distribution) to distribute any of the monies for the time being in its hands the amount of which is insufficient to pay Euro 1 or its equivalent amount in the relevant currency in respect of each Share of the relevant Sub-Fund and provided also that the Custodian shall be entitled to retain out of any monies in its hands as part of the relevant Sub-Fund full provision for all costs, charges, expenses, claims and demands incurred, made or apprehended by the Custodian or the Directors in connection with or arising out of the termination of the relevant Sub-Fund and out of the monies so retained to be indemnified and saved harmless against any such costs, charges, expenses, claims and demands; and
- 15.3.4 every such distribution referred to above shall be made in such manner as the Directors shall, in their sole and absolute discretion, determine but shall be made only against production of the certificates or warrants relating to the Shares of the relevant Sub-Fund if issued in respect of which the same is made and upon delivery to the Custodian of such form of request for payment as the Custodian shall in its absolute discretion require. Any unclaimed proceeds or other cash held by the Custodian may at the expiration of twelve months from the date upon which the same were payable be paid into court subject to the right of the Custodian to deduct therefrom any expenses it may incur in making such payment;
- 15.4 The Directors shall have the power to propose and implement a reconstruction and/or amalgamation of the Fund or any Sub-Fund(s) on such terms and conditions as are approved by the Directors subject to the following conditions namely:
- 15.4.1 that the prior approval of the Central Bank has been obtained; and
- 15.4.2 that the Shareholders in the relevant Sub-Fund or Sub-Funds have been circulated with particulars of the scheme of reconstruction and/or amalgamation in a form approved by the Directors and a special resolution of the Shareholders in the relevant Sub-Fund or Sub-Funds has been passed approving the said scheme.

The relevant scheme of reconstruction and/or amalgamation shall take effect upon such conditions being satisfied or upon such later date as the scheme may provide or as the Directors may determine whereupon the terms of such scheme shall be binding upon all the Shareholders and the Directors shall have the power to and shall do all such acts and things as may be necessary for the implementation thereof.

## 16 ***Winding up***

- 16.1 The Articles contain provisions to the following effect:

- 16.1.1 If the Fund shall be wound up the liquidator shall, subject to the provisions of the Companies Acts, apply the assets of each Sub-Fund in such manner and order as he thinks fit in satisfaction of creditors' claims relating to that Sub-Fund.
- 16.1.2 Following the deduction of the estimated expenses relating to the liquidation, the assets available for distribution among the Holders shall then be applied in the following priority:-
- 16.1.3 **Firstly**, in the payment to the holders of each Sub-Fund a sum in the currency in which that Fund 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 of such Sub-Fund held by such holders respectively as at the date of commencement to wind up provided that there are sufficient assets available in the relevant Sub-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 Sub-Fund to enable such payment to be made recourse shall be had:-
- (1) **firstly**, to the assets of the Fund not comprised within any of the Sub-Funds; and
  - (2) **secondly**, to the assets remaining in the other Sub-Funds (after payment to the holders of the Shares in those Sub-Funds of the amounts to which they are respectively entitled under this paragraph 16.1.3 pro rata to the total value of such assets remaining within each such Sub-Fund.
- 16.1.4 **Secondly**, in the payment to the holders of each class of Shares of any balance then remaining in the relevant Sub-Funds, such payment being made in proportion to the number of Shares of that class held, such payment being made in proportion to the number of Shares held.
- 16.1.5 **Thirdly**, in the payment to the holders of the Shares of any balance then remaining and not comprised within any of the Sub-Funds, such payment being made in proportion to the number of Shares held.
- 16.2 A Sub-Fund may be wound up pursuant to Section 256E of the 1990 Act and in such event the provisions of this Section 16 shall apply mutatis mutandis in respect of that Sub-Fund.
- 16.3 If the Fund shall be wound up (whether the liquidation is voluntary, under supervision or by the court) the liquidator may, with the authority of a special resolution of the relevant Shareholders and any other sanction required by the Companies Acts of Ireland, divide among the holders of shares of any class or classes within a Sub-Fund in specie the whole or any part of the assets of the Fund relating to that Sub-Fund, and whether or not the assets shall consist of property of a single kind, and may for such purposes set such value as he deems fair upon any one or more class or classes of property, and may determine how such division shall be carried out as between all the Shareholders of the Fund or the holders of different classes of shares in a Sub-Fund. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of Shareholders as the liquidator, with the like authority, shall think fit, and the liquidation of the Fund may be closed and the Fund dissolved, but so that no Shareholder shall be compelled to accept any assets in respect of which there is a liability. A Shareholder may request the liquidator, instead of transferring the assets in specie to it, to dispose of them and to pay the net sales proceeds instead.

## 17 **Share Qualification**

The Articles do not contain a share qualification for Directors.

## 18 **Change of Name**

In the event that Scottish Widows Investment Partnership Limited ceases to be Investment Manager of the Fund, then prior to or immediately following such termination becoming effective, the Directors will arrange to convene an extraordinary general meeting to propose that the name of the Fund be changed to a name which will not reflect any involvement on the part of Scottish Widows Investment Partnership Limited (or any of its affiliates) with the Fund.

At any such extraordinary general meeting called to change the name, those shareholders who (being individuals) are present in person or by proxy or (being corporations) are present by proxy or by a duly authorised representative and entitled to vote and who vote on a poll in favour of the resolution proposed to change the name of the Fund shall collectively have such total number of votes as in one or more than the number of votes which are required to be cast on such a poll for the said special resolution to be carried. Such a change of name shall take place in accordance with the provisions of the Companies Acts and the requirements of the Central Bank.

### **Litigation and Arbitration**

The Fund is not involved in any litigation or arbitration nor are the Directors aware of any pending or threatened litigation or arbitration.

### **Directors' Interests**

There are no service contracts in existence between the Fund and any of its Directors, nor are any such contracts proposed.

At the date of the Prospectus, no Director has any interest, direct or indirect, in any assets which have been or are proposed to be acquired or disposed of by, or issued to, the Fund and save as disclosed below no Director is materially interested in any contract or arrangement subsisting at the date hereof which is unusual in its nature and conditions or significant in relation to the business of the Fund.

At the date of the Prospectus none of the Directors nor any Associated Person have any beneficial interest in the share capital of the Fund or any options in respect of such capital.

### **Material Contracts**

The following contracts have been entered into otherwise than in the ordinary course of the business intended to be carried on by the Fund and are or may be material:

Investment Management Agreement original dated 8 March 2002 (as amended and restated by an investment management agreement dated 21 April 2005) between the Fund and the Investment Manager regarding each Sub-Fund. This Agreement provides that the appointment of the Investment Manager will continue in force for an initial period of 3 years. After the initial three year period this Agreement may be terminated by either party by 90 days written notice. In certain circumstances set out in this Agreement either party may terminate this Agreement during the initial three year period by notice in writing (in accordance with the procedure set out in the Agreement) upon the occurrence of certain events as specified in the agreement such as the liquidation of either party. This Agreement also provides that the Investment Manager has in operation a written complaints procedure in accordance with FSA requirements for the effective consideration and proper handling of complaints of an investment business nature from investors in the Fund. If the complaint remains unresolved, the investor may then refer the matter to the Investment Ombudsman. The Agreement contains certain indemnities in favour of the Investment Manager (and each of its directors, officers, servants, employees, agents and appointees) which are restricted to exclude matters to the extent that they are attributable to the fraud, bad faith, negligence, wilful default or recklessness in the performance or non-performance by the Investment Manager (or persons designated by it) of its duties or obligations under this Agreement.

The Custodian Agreement dated 8 March 2002 (as amended and novated pursuant to a Novation to Custodian and Trustee Agreement dated 31 July 2003) between the Fund and the Custodian; this Agreement provides that the appointment of the Custodian shall continue until terminated by either party on not less than 90 days' notice or earlier upon certain breaches or the insolvency of either party.

The Custodian Agreement contains provisions governing the responsibility and limitations on the responsibility of the Custodian and provides for its indemnification in certain circumstances, subject to exclusion in the case of unjustifiable failure to perform its obligations or its improper performance of them.

The Administration Agreement dated 8 March 2002 (as amended and novated pursuant to a Novation to Administration Agreement dated 31 July 2003) between the Fund and the Administrator; this Agreement provides that the appointment of the Administrator shall continue until terminated by either party on not less than 90 days' notice or earlier upon certain breaches or the insolvency of either party. In the absence of fraud, negligence, bad faith or wilful misconduct, the Administrator will not be liable for any loss arising as a result of the performance by the Administrator of its obligations and duties under the Administration Agreement. The Fund has agreed to indemnify the Administrator against losses suffered by the Administrator in the performance of its duties and obligations under the Administration Agreement, except for losses arising out of the fraud, negligence or wilful misconduct of the Administrator in the performance of its duties under the Administration Agreement.

The Marketing and Distribution Agreement dated 8 March 2002 (as amended and restated by a marketing and distribution agreement dated 21 April 2005) between the Fund and the Scottish Widows Investment Partnership Limited; this Agreement provides that the appointment of Scottish Widows Investment Partnership Limited as a Marketing Agent will continue unless and until terminated by either party giving to the other party not less than 90 days' written notice although in certain circumstances the Agreement may be terminated forthwith by notice in writing by either party to the other; this Agreement contains certain indemnities in favour of Scottish Widows Investment Partnership Limited as Marketing Agent which are restricted to exclude matters arising by reason of the fraud, negligence or wilful default on the part of Scottish Widows Investment Partnership Limited, its servants or agents in the performance of its obligations and duties.

#### **Miscellaneous**

Save as disclosed under the heading **Incorporation and Share Capital** above, no share or loan capital of the Fund has been issued or agreed to be issued, under option or otherwise.

As of the date of the Prospectus, the Fund does not have any loan capital (including term loans) outstanding or created but unissued or any outstanding mortgages, charges, debentures or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts, liabilities under acceptances or acceptance credits, hire purchase or finance lease commitments, guarantee or other contingent liabilities.

Save as disclosed under the heading **Directors' Interests** above, no Director has any interest in the promotion of or in any property acquired or proposed to be acquired by the Fund.

Save as may result from the entry by the Fund into the agreements listed under the heading **Material Contracts** above or any other fees, commissions or expenses discharged, no amount or benefit has been paid or given or is intended to be paid or given to any promoter of the Fund.

No commissions, discounts, brokerages or other special terms have been paid or granted or are payable for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for any Shares or loan capital of the Fund.

Any complaints that a Shareholder may have in relation to the Fund may be sent to the office of the Investment Manager which is located at 33 Old Broad Street, London EC2N 1HZ, UK or to the Administrator at 78 Sir John Rogerson's Quay, Dublin 2, Ireland. Information regarding the Fund's complaint procedures are available free of charge upon a written request to the Administrator at the above address.

## **Documents for Inspection**

Copies of the following documents may be inspected at the offices of the Administrator or in the case of UK investors at the office of the Investment Manager at their respective addresses as set out on page 6 of the Prospectus, during usual business hours on weekdays, except Saturdays and public holidays:

- the Memorandum and Articles of Association of the Fund;
- the Prospectus and simplified prospectus;
- the material contracts referred to above;
- the Regulations;
- the UCITS series of notices issued by the Central Bank; and
- a list of past and current directorships and partnerships held by each Director over the last five years.

Copies of the Memorandum and Articles of Association of the Fund (and, after publication thereof, the periodic reports and accounts) may be obtained from the Administrator or in the case of UK investors from the Investment Manager free of charge. UK Investors may obtain details of the issue and redemption price of the Shares together with copies of the aforementioned documents from the office of the Investment Manager. UK investors who have a complaint to make can also submit their complaint in writing to the Investment Manager at the above address.

## APPENDIX I - DEFINITIONS

<b>Accumulation Shares</b>	a class of Share in a Sub-Fund carrying no right to any distribution of income but the income attributable to such Shares is retained within the relevant Sub-Fund and reflected in the Net Asset Value of such Shares. Details of any such Shares in issue are contained in Section 1;
<b>Administrator</b>	State Street Fund Services (Ireland) Limited or any other person or persons for the time being duly appointed administrator in succession to the said State Street Fund Services (Ireland) Limited;
<b>Advisory Shares</b>	a class of Share in a Sub-Fund, details of which are contained in Section 1;
<b>Application Form</b>	the original form which must be submitted with the Subscription Form upon an initial application or exchange of Shares. It only needs to be submitted with subsequent applications if the investors' details or circumstances have changed from when this form was originally submitted;
<b>Articles</b>	the Articles of Association of the Fund;
<b>Associated Person</b>	<p>a person is associated with a Director if, and only if, he or she is:</p> <ul style="list-style-type: none"><li>▪ that director's spouse, parent, brother, sister or child;</li><li>• a person acting in his capacity as the trustee of any trust, the principal beneficiaries of which are the Director, his spouse or any of his children or any body corporate which he controls;</li><li>• a partner of that Director;</li></ul> <p>A company will be deemed to be connected with a Director if it is controlled by that Director;</p>
<b>Base Currency</b>	in relation to any class of Shares such currency as is specified in Section 1 of the Prospectus (or of the relevant Supplement in the case of any subsequent Sub-Funds that may be established periodically by the Fund with the prior approval of the Central Bank);
<b>Business Day</b>	a day on which banks are open for business in such jurisdictions and/or cities as are specified in Section 1 of the Prospectus (or of the relevant Supplement in the case of any subsequent Sub-Funds that may be established periodically by the Fund with the prior approval of the Central Bank), for the relevant Sub-Fund or such other day(s) as the Fund may, with the approval of the Custodian, determine;
<b>Central Bank</b>	the Irish Financial Services Regulatory Authority or such other authority designated as such pursuant to the Regulations;
<b>Central Bank Notices</b>	the notices and guidelines issued by the Central Bank from time to time;
<b>CIS</b>	an open ended collective investment scheme;
<b>Companies Acts</b>	the Companies Acts 1963 to 2009 including any regulations issued pursuant thereto, insofar as they apply to open-ended investment companies with variable capital;
<b>Connected Person</b>	the persons defined as such in the Section headed <b>Portfolio Transactions and Conflicts of Interest</b> ;

<b>Custodian</b>	State Street Custodial Services (Ireland) Limited or any other person or persons for the time being duly appointed custodian hereof in succession to State Street Custodial Services (Ireland) Limited;
<b>Dealing Day</b>	in respect of each class of Shares such Business Day or Business Days as are specified in Section 1 of the Prospectus (or of the relevant Supplement in the case of any subsequent Sub-Funds that may be established periodically by the Fund with the prior approval of the Central Bank) or such other day(s) as the Directors may determine from time to time with the approval of the Custodian provided that there shall be at least two Dealing Days a month for each Sub-Fund;
<b>Dealing Deadline</b>	in relation to applications for subscription or repurchase of Shares in a Sub-Fund, the dates and times specified in Section 1 for the relevant Sub-Fund;
<b>Directors</b>	the directors of the Fund;
<b>EEA</b>	the European Economic Area (EU Member States, Norway, Iceland and Liechtenstein);
<b>EEA Member State</b>	a member state of the EEA;
<b>EU</b>	the European Union, the current members being Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, the Netherlands and the United Kingdom;
<b>EU Member State</b>	a member state of the EU;
<b>Euro and €</b>	refer to the lawful currency of the Republic of Ireland;
<b>Euro Sub-Fund</b>	the Euro Liquidity Fund;
<b>Foreign Person</b>	(i) a person who is neither resident nor ordinarily resident in Ireland for tax purposes who has provided the Fund with the appropriate declaration under Schedule 2B of the TCA and in respect of whom the Fund is not in possession of any information that would reasonably suggest that the declaration is incorrect or has at any time been incorrect or (ii) the Fund is in possession of written notice of approval from the Irish Revenue Commissioners to the effect that the requirement to have been provided with such a declaration is deemed to have been complied with in respect of that person or class of Shareholder to whom that person belongs and that approval has not been withdrawn and any conditions to which that approval is subject have been satisfied;
<b>FSA</b>	the Financial Services Authority Limited;
<b>Fund</b>	SWIP Global Liquidity Fund plc;
<b>Guidelines</b>	the Guidelines on a Common Definition for Money Market Funds published in May 2010 by the European Securities and Markets Authority;
<b>Income Shares</b>	a class of Share in a Sub-Fund carrying a right to a distribution of income. Details of any such Shares in issue are contained in Section 1.
<b>Institutional Shares</b>	a class of Shares in a Sub-Fund, details of which are contained in Section 1;

<b>Investment Manager</b>	Scottish Widows Investment Partnership Limited or any other person or persons for the time being duly appointed investment manager of the Fund or of any of the Fund's Sub-Funds in succession to Scottish Widows Investment Partnership Limited;
<b>Investment Manager's Group</b>	Scottish Widows Investment Partnership Limited and any of its affiliates, subsidiaries or associated companies;
<b>Irish Stock Exchange</b>	the Irish Stock Exchange Limited, and any successor thereto;
<b>Marketing Agent</b>	Scottish Widows Investment Partnership Limited or any other person or persons for the time being duly appointed marketing agent of the Fund or any of the Fund's Sub-Funds in succession to Scottish Widows Investment Partnership Limited in accordance with the requirements of the Central Bank;
<b>Minimum Holding</b>	such number of Shares or Shares having such value (if any) as is specified for the relevant Sub-Fund in Section 1 hereof;
<b>Minimum Initial Subscription</b>	such amount (excluding any preliminary charge) in the relevant Base Currency which must be initially subscribed by each Shareholder for Shares of any class in a Sub-Fund as is specified for the relevant Sub-Fund in Section 1 hereof;
<b>Month</b>	calendar month;
<b>Moodys</b>	Moody's Investor Services;
<b>Net Asset Value or Net Asset Value Per Share</b>	in respect of the assets of a Sub-Fund, the amount determined in accordance with the principles set out in Section 2 under the heading <b>Issue and Repurchase Price/Calculation of Net Asset Value/Valuation of Assets</b> as the Net Asset Value of a Sub-Fund or the Net Asset Value per Share;
<b>OECD</b>	the Organisation for Economic Co-operation and Development, (the current members being: Australia, Austria, Belgium, Canada, Chile, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea (Republic), Luxembourg, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Slovak (Republic), Slovenia, Spain, Sweden, Switzerland, Turkey, United Kingdom and United States and which includes any other country or countries which become members of the OECD from time to time);
<b>OECD Member State</b>	a member state of the OECD;
<b>Official List</b>	the official list of the Irish Stock Exchange;
<b>OTC derivative</b>	a financial derivative instrument permitted under the Regulations which dealt in over-the-counter;
<b>Prospectus</b>	the prospectus issued from time to time by the Fund as amended, supplemented, consolidated or otherwise modified from time to time;
<b>Regulations</b>	the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (S.I. No. • of 2011) as amended, supplemented, consolidated or otherwise modified from time to time including any condition that may from time to time be imposed thereunder by the Central Bank;

<b>Related Companies</b>	has the meaning assigned thereto in Section 140(5) of the Companies Act, 1990 as amended from time to time. In general, this provision states that companies are related where 50% of the paid up share capital of, or 50% of the voting rights in, one company are owned directly or indirectly by another company;
<b>Repurchase Form</b>	the repurchase form for Shares;
<b>Settlement Date</b>	in respect of receipt of monies for payment of subscription monies or dispatch of monies for the repurchase of Shares the dates specified in Section 1 for the relevant Sub-Fund;
<b>Shares</b>	shares in the Fund and includes, where the context so permits or requires, the Shares in a Sub-Fund which may be divided into different classes, namely Advisory Shares and Institutional Shares;
<b>Shareholders</b>	holders of Shares and each a <b>Shareholder</b> ;
<b>Sterling or Pound or £ or Stg£</b>	the lawful currency of the United Kingdom and includes any successor currency;
<b>Sterling Sub-Fund</b>	the Sterling Liquidity Fund;
<b>Sub-Fund</b>	one of the sub-funds, details of which are set out in Section 1 of this document (and of the relevant Supplement in the case of any other Sub-Funds that may be established periodically by the Fund with the prior approval of the Central Bank);
<b>Subscription Form</b>	the subscription form to be completed in respect of each purchase of Shares;
<b>Supplement</b>	a Supplement to the Prospectus issued by the Fund in relation to the creation of new Sub-Funds and/or share classes;
<b>Taxable Irish Person</b>	any person, other than <ul style="list-style-type: none"> <li>• a Foreign Person;</li> <li>• an intermediary, including a nominee, for a Foreign Person;</li> <li>• the Administrator for so long as the Administrator is a qualifying management company within the meaning of Section 734 TCA;</li> <li>• a specified company within the meaning of Section 734 TCA;</li> <li>• an investment undertaking within the meaning of Section 739(B) of the TCA;</li> <li>• an exempt approved scheme or a retirement annuity contract or trust scheme within the provisions of Sections 774, 784 or 785 TCA;</li> <li>• a company carrying on life business within the meaning of Section 706 TCA;</li> <li>• a special investment scheme within the meaning of Section 737 TCA;</li> <li>• a unit trust to which Section 731(5)(a) TCA applies;</li> </ul>

- a charity entitled to an exemption from income tax or corporation tax under Section 207(1)(b) TCA;
- a person entitled to exemption from income tax and capital gains tax under Section 784A(2) TCA or Section 787I TCA and the units held are assets of an approved retirement fund, an approved minimum retirement fund, a special savings incentive account or a personal savings retirement account (as defined in Section 787A TCA);
- the Courts Service;
- a Credit Union;
- a company, within the charge to corporation tax under Section 739G(2) TCA but only where the company is a money market fund;
- a company within the charge to corporation tax under Section 110(2) TCA;
- the National Pensions Reserve Fund Commission; and
- any other person as may be approved by the directors from time to time provided the holding of Shares by such person does not result in a potential liability to tax arising to the Fund in respect of that Shareholder under Section 739 TCA

in respect of each of which the appropriate declaration set out in Schedule 2B TCA and other such information evidencing such status is in the possession of the Fund on the appropriate date;

<b>TCA</b>	the Irish Taxes Consolidation Act 1997 as amended from time to time;
<b>UCITS</b>	an undertaking for collective investment in transferable securities authorised pursuant to the Regulations (or their equivalent in any other EU Member State) and having the meaning assigned to it by Regulation 3(2) (where applicable);
<b>UCITS Directive</b>	the EC Council Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the co-ordination of laws, regulations and administrative provisions relating to UCITS including the associated implementing measures contained in Directive 2010/43/EU and Directive 2010/44/EU, as amended, supplemented, consolidated or replaced from time to time;
<b>United Kingdom or UK</b>	the United Kingdom of Great Britain and Northern Ireland;
<b>United States or U.S.</b>	the United States of America, its territories, possessions and all areas subject to its jurisdiction (including the Commonwealth of Puerto Rico);
<b>United States Person or U.S. Person</b>	has the meaning ascribed to it in Regulation S promulgated under the United States Securities Act of 1933, as amended from time to time;
<b>Valuation Point</b>	the point in time by reference to which the Net Asset Value of a Sub-Fund is calculated as is specified in Section 1 for the relevant Sub-Fund;

## APPENDIX II - MARKETS

The exchanges/markets are listed below in accordance with the requirements of the Central Bank which does not issue a list of approved markets.

With the exception of permitted investment in unlisted securities or in units of open-ended collective investment schemes, investment will be limited to the following stock exchanges and regulated markets:-

1 (a) *any stock exchange which is:*

- located in an EEA Member State;
- located in Australia, Canada, Hong Kong, Japan, New Zealand, Switzerland, United States of America; or

(b) the Channel Islands Stock Exchange, which is located in the Channel Islands;

(c) any of the following over the counter markets:

The market organised by the International Capital Markets Association;

The (i) market conducted by banks and other institutions regulated by the Financial Services Authority (**FSA**) and subject to the Inter-Professional Conduct provisions of the FSA's Market Conduct Sourcebook; and (ii) market in non-investment products which is subject to the guidance contained in the Non-Investment Products Code drawn up by the participants in the London market, including the FSA and the Bank of England;

The market in US government securities conducted by primary dealers regulated by the Federal Reserve Bank of New York and the US Securities and Exchange Commission;

The over-the-counter market in the United States conducted by primary and second dealers regulated by the Securities and Exchanges Commission and by the National Association of Securities Dealers (and by banking institutions regulated by the US Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation);

The over-the-counter market in Japan regulated by the Securities Dealers Association of Japan;

The over-the-counter market in Canadian Government Bonds, as regulated by the Investment Dealers Association of Canada;

The French market for **Titres de Creance Negotiable** (over-the-counter market in negotiable debt instruments);

(d) any of the following electronic exchanges:

NASDAQ

2 In relation to any exchange traded financial derivative contract, any stock exchange on which such contract may be acquired or sold and which is regulated, operates regularly, is recognised and open to the public and which is (i) located in an EEA Member State, (ii) located in Australia, Canada, Hong Kong, Japan, New Zealand, Switzerland or the United States, (iii) the Channel Islands Stock Exchange or (iv) listed at (iv) above or (v) any of the following:

The Chicago Board of Trade

The Chicago Mercantile Exchange

The Chicago Board Options Exchange

OMLX, the London Securities and Derivatives Exchange

New York Mercantile Exchange

New York Board of Trade

New Zealand Futures and Options Exchange

Hong Kong Futures Exchange

Osaka Securities Exchange

Singapore Commodity Exchange

Tokyo International Financial Futures Exchange

## APPENDIX III - TAXATION INFORMATION FOR UK INVESTORS

### General

The following statement on taxation is based on advice received by the Directors regarding the law and practice in force in the United Kingdom at the date of this document and is provided for general guidance only. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment in the Fund is made will endure indefinitely.

Prospective Shareholders should familiarise themselves with and, where appropriate, take advice on the laws and regulations (such as those relating to taxation and exchange controls) applicable to the subscription for, and the holding and repurchase of, Shares in the places of their citizenship, residence and domicile.

### The Fund

The Directors intend to conduct the affairs of the Fund so that it does not become resident in the UK for taxation purposes. Accordingly, provided the Fund does not exercise a trade within the UK or carry on a trade in the UK through a permanent establishment, the Fund will not be subject to UK tax other than on certain UK source income. It is not expected that the activities of the Fund will be regarded as trading activities for the purposes of UK taxation.

### UK Shareholders

Subject to their personal circumstances, Shareholders resident in the UK for taxation purposes will normally be liable to UK income tax or corporation tax in respect of their proportionate share of the net income arising to the relevant Sub-Fund (whether distributed to investors or accumulated on their behalf). Following changes introduced by Finance Act 2009, distributions made by the Fund on or after 22 April 2009 (whether paid or accumulated) will be treated as interest income in the hands of UK resident individuals.

The attention of individuals ordinarily resident in the UK for tax purposes is drawn to Chapter 2 of the Income Tax Act 2007 which may render them liable to income tax in respect of undistributed income or profits of the Fund. These provisions are aimed at preventing the avoidance of income tax by individuals through a transaction resulting in the transfer of assets or income to persons (including companies) resident or domiciled abroad and may render them liable to income tax in respect of undistributed income or profits of the Fund on an annual basis.

Chapter V (Section 757) of Part XVII of the Income and Corporation Taxes Act 1988 (the **UK Taxes Act**) provides that if an investor resident or ordinarily resident in the UK for taxation purposes holds a material interest in an offshore fund, then, unless the fund obtains certification as a distributing fund or a reporting fund for each accounting period of the fund in which the investor holds that interest, any gain (calculated without the benefit of indexation) accruing to the investor upon the sale or other disposal of the interest will be charged to tax as income and not as a capital gain (the **UK offshore fund rules**).

The Shares in the Fund will constitute a material interest in an offshore fund for the purposes of the UK Taxes Act. However, certification as a distributing fund under the UK Taxes Act for the purposes of UK taxation will be applied for in respect of all share classes for the current period and it is the intention of the Directors to seek such certification for subsequent accounting periods. As such certification is granted retrospectively, it cannot be guaranteed that such certification will be granted for any particular period or will continue to be available for future accounting periods. See below for details of the new **Reporting Fund Regime**.

On the assumption that each share class in the Fund will qualify as a distributing fund, gains arising from the sale, repurchase or other disposal of Shares in each Sub-Fund will be taxed as capital gains in the hands of a Shareholder resident or ordinarily resident in the UK for taxation purposes. The exception to this is that the UK loan relationship rules will apply to UK corporate shareholders if the investments of the Fund consist of more than 60% (by market value) of qualifying investments (broadly interest yielding assets). Under the UK loan relationships regime, any corporate shareholder

which is within the charge to UK corporation tax will be taxed on the increase in value of its holding on an annual basis (rather than on disposal) or will obtain tax relief on any equivalent decrease in value. For UK corporate shareholders, the UK loan relationship rules take precedence over the UK offshore fund rules.

The new offshore funds legislation came into force on 1 December 2009. Transition rules permit funds to continue to apply for distributor status for a period after which funds must enter the new "Reporting Funds Regime". As such, the last period the Fund can apply for distributor status is for the period to 31 December 2010. Thereafter the Fund will seek certification as a Reporting Fund. One of the requirements to maintain its "reporting fund" status is that the Fund reports its income to Shareholders. Assuming the Fund obtains "reporting fund" status, Shareholders who are UK taxpayers will be taxable on actual distributions received from the Fund. All Shareholders who are UK taxpayers should be aware that they will be subject to tax on their share of the income, regardless of whether such income is distributed in practice.

The attention of persons resident or ordinarily resident in the UK (and who, if they are individuals, are domiciled in the UK) is drawn to the provisions of Section 13 of the Taxation of Chargeable Gains Act 1992. This paragraph applies where the interest of such persons (when aggregated with persons connected with them) in the chargeable gains of the Fund exceeds one-tenth of the gain, and the Fund would be treated as 'close' under UK tax legislation if it were resident in the UK. Where these conditions are met, part of any chargeable gain accruing to the Fund may be attributed to such a Shareholder and the Shareholder may (in certain circumstances) be liable to UK tax on capital gains. The part of the capital gain attributed to the Shareholder corresponds to the Shareholder's proportionate interest in the Fund.

The attention of UK resident corporate investors is drawn to the provisions concerning 'Controlled Foreign Companies' in Chapter IV (Section 747) of Part XVII of the UK Taxes Act which may have the effect in certain circumstances of subjecting a company resident in the UK to UK corporation tax on the profits of a company resident outside the UK. A charge to tax cannot however arise unless the non resident company is under the control of persons resident in the UK and, on an apportionment of the non resident's 'chargeable profits', more than 25% would be attributed to the UK resident and persons associated or connected with them.

## APPENDIX IV - INFORMATION FOR INVESTORS OF THE FEDERAL REPUBLIC OF GERMANY

### Details of German Paying and Information Agent

State Street Bank GmbH, Brienner Straße 59, 80333 Munich has been appointed as the paying and information agent (the **German Paying and Information Agent**) in the Federal Republic of Germany.

Any subscription, exchange and redemption requests for Shares can be submitted to the German Paying and Information Agent. Upon request, redemption proceeds, distributions or other payments, if any, to the Shareholders will be paid in Euro via the German Paying and Information Agent.

### Documents for inspection

Copies of the current version of the Prospectus, the Simplified Prospectus, the Memorandum and Articles of Association, the semi-annual and annual reports can be obtained free of charge from the offices of the German Paying and Information Agent. The following material contracts can be inspected at the offices of the German Paying and Information Agent: the Investment Management Agreement, the Custodian Agreement, the Administration Agreement and the Marketing and Distribution Agreement. Any required Shareholder information is also available for inspection at the offices of the German Paying and Information Agent.

### Notification of prices and other Shareholder information

Details of the Net Asset Value Per Share of each Fund and the purchase and redemption prices, the **Aktiengewinn** (capital gains on Shares), the **Zwischengewinn** (interim profits) of the Fund and aggregate amount of income deemed to be received by an investor in relation to a holding of foreign investment units after 31 December 1993, are available at the offices of the German Paying and Information Agent on every banking business day in Munich.

Details of the purchase and redemption prices of the Shares and interim profits will be published on the web-page of the Fund [www.swip.com/liquidity](http://www.swip.com/liquidity) on each German stock exchange day or exchange business day in Germany. Any other Shareholder information will be sent to investors by way of shareholder letters.

## APPENDIX V - INFORMATION FOR SPANISH INVESTORS

### Sale of Shares in Spain

The Shares in the Fund are recognised for distribution in Spain.

### Details of Spanish Distributor and Paying Agent

Lloyds Bank International, S.A.U. C/Anabel Segura 16, Alcobendas, 28108 Madrid, has been appointed as the distributor and paying agent in Spain (the **Spanish Distributor and Paying Agent**).

Any subscription, exchange and redemption requests for Shares can be submitted to the Spanish Distributor and Paying Agent. Upon request, redemption proceeds, distributions or other payments, if any, to the Shareholders will be paid in Euro via the Spanish Distributor and Paying Agent.

### Documents for inspection

Copies of the current version of the Prospectus, the Simplified Prospectus, the Memorandum and Articles of Association of the Fund, the semi-annual and annual reports and the marketing memoria (*memoria sobre las modalidades previstas de comercialización en el territorio español*) can be obtained free of charge from the offices of the Spanish Distributor and Paying Agent. The material contracts described in the section entitled **Documents for Inspection** on page 49 of the Prospectus can be inspected at the offices of the Spanish Distributor and Paying Agent. Any required Shareholder information is also available for inspection at the offices of the Spanish Distributor and Paying Agent.

### Notification of prices

Details of the Net Asset Value Per Share of each Fund, the purchase and redemption prices of the Shares and the capital gains on Shares and the interim profits of the Fund are available at the offices of the Spanish Distributor and Paying Agent on every banking business day in Madrid.

Details of the purchase and redemption prices of the Shares, the interim profits of the Fund and other Shareholder information will be published in the Spanish newspaper, Expansion.