

# **PROSPECTUS**

## **THE PRIVATE CLIENT PORTFOLIO**

Comprising  
a series of investment funds

### **Global Managed Funds**

Aggressive Fund  
Balanced Fund

### **Specialist Funds**

North America Fund  
Europe Fund  
Pacific Fund  
Bond and Currency Fund  
Emerging Markets Fund  
Alternative Fund  
Aurora Defined Benefits Fund – USD Class  
Aurora Defined Benefits Fund – USD Accelerated Class  
Aurora Defined Benefits Fund – EURO Accelerated Class

**June 2006**

# **THE PRIVATE CLIENT PORTFOLIO**

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**THE PRIVATE CLIENT PORTFOLIO**  
**A Multi-class Investment Company Incorporated in**  
**The Cayman Islands**

The Directors (the “Directors”) of The Private Client Portfolio (the “Company”) accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Company is an open-ended multi-class investment fund established in the Cayman Islands as an exempted company limited by shares pursuant to the Companies Law (2004 Revision) of the Cayman Islands. The Company falls within the definition of a “mutual fund” under the Mutual Funds Law (2003 Revision) of the Cayman Islands and accordingly regulated by that Law.

The principal office and registered office of the Fund is: Olympia Capital (Cayman) Limited c/o Caledonian Bank, Caledonian House, 69 Dr. Roy’s Drive, P.O. Box 1043 GT, George Town, Grand Cayman, Cayman Islands.

The Company has an authorised share capital of US\$500,000 divided into 49,999,900 participating, redeemable, preference shares of US\$0.01 (the “share”) and 100 management shares of US\$0.01. The Articles of Association of the Company empower the Directors of the Company to create different classes of shares. Each class of shares may be designated in such currency as the Directors shall specify (“base currency”) and is valued and priced in the base currency of such class.

The classes of share are: Aggressive Fund shares, Balanced Fund shares, North America Fund shares, Europe Fund shares, Pacific Fund shares, Bond and Currency Fund shares, Emerging Markets Fund shares, Alternative Fund shares, Aurora Defined Benefits Fund- USD Class shares, the Aurora Defined Benefits Fund – USD Accelerated Class shares, and the Aurora Defined Benefits Fund – EURO Accelerated Class shares. The Directors have established and maintain separate funds in support of such class of shares (‘Funds’) known as the Aggressive Fund, Balanced Fund, North America Fund, Europe Fund, Pacific Fund, Bond and Currency Fund, Emerging Markets Fund, Alternative Fund, Aurora Defined Benefits Fund – USD Class , Aurora Defined Benefits Fund- USD Accelerated Class and Aurora Defined Benefits Fund – EURO Accelerated Class . These Funds are referred to in this Prospectus as the Company’s Funds.

The net proceeds from the sale of each class of shares will be segregated into such separate Funds. All income and capital gains earned on the assets of each Fund shall accrue to such Fund and all expenses and liabilities related to a particular Fund and any redemptions of the shares related thereto shall be charged to and paid from the Fund in question, subject to the Directors’ discretion, so long as the assets of such Fund are not exceeded by liabilities and redemptions attributable to such Fund. Although the assets and liabilities of each Fund are normally segregated into such separated Fund, the assets of any Fund may be applied to meet any claims by creditors of the

Company in circumstances in which the liabilities of a Fund exceed its assets.

The Directors of the Company may in the future create and constitute new classes of shares and establish and maintain a separate Fund for each such new class of shares.

No person has been authorised to give any information or to make any representations other than those contained in this document, in connection with the offering of the shares and, if given or made, such information or representations must not be relied on as having been authorised by the Directors or by the Company. Neither the delivery of this document nor the issue of shares shall, under any circumstances, create any implication that there has been no change in the circumstances affecting the Company since the date hereof.

The distribution of this document and the offering of shares may be restricted in certain jurisdictions and it is the responsibility of persons into whose possession this document comes to inform themselves about, and to observe, any such restrictions.

This document does not constitute, and may not be used for the purposes of, an offer or solicitation by any person in any jurisdiction (i) in which such offer or solicitation is not authorised or (ii) in which the person making such offer or solicitation is not qualified to do so or (iii) to any person to whom it is unlawful to make such offer or solicitation. The shares have not been and will not be registered under the United States Securities Act 1933, as amended, (the "Securities Act") and, except in a transaction which is exempt from the Securities Act, may not directly or indirectly be offered or sold in the United States of America, its territories and possessions, any State of the United States and the District of Columbia, or to any US Person. As used herein "US Person" means a citizen, national or resident of the United States of America, its territories or possessions and all areas subject to its jurisdiction including the commonwealth of Puerto Rico ("United States") or any partnership, corporation or any other entity created or organised in or under the laws of the United States or any political subdivision thereof; any estate or trust that is subject to United States Federal income taxation regardless of the source of its income and any entity which is controlled (or in the case of an investment company or other passive investment vehicle) any one that is owned to any extent directly or indirectly through one or more intervening entities, by any of the foregoing. In addition, the Company has not been and will not be registered under the United States Investment Company Act of 1940. The Manager has not at present registered under the United States Investment Advisers Act of 1940, as amended.

A copy of this Prospectus has not been delivered to the Registrar of Companies in England and Wales for registration. The Fund is a collective investment scheme pursuant to the provisions of Section 75 of the Financial Services Act 1986 (the "FSA"). The shares may not be promoted in the United Kingdom by persons authorised under the FSA other than to persons authorised to carry on investment business under the FSA, to persons whose ordinary business involves the acquisition and disposal of property of the same kind as the property in which the Company invests and to persons to whom the shares may be promoted under the Financial Services (Promotion of Unregulated Schemes) Regulations 1991. This document has not been approved for

the purposes of Section 57 of the FSA by a person authorised under the FSA. Accordingly, this document may only be issued or passed on in the United Kingdom to persons who are of a kind described in Article 9(3) of the Financial Services Act 1986 (Investment Advertisements) (Exemptions) Order 1988 (as amended) or who are persons to whom this document may otherwise lawfully be issued or passed on.

Investors should consult their own professional advisers concerning (i) the legal requirements within their own countries for the purchase and holding of shares, (ii) any foreign exchange restrictions to which they may be subject, and (iii) the income and other taxation consequences which might apply in their own countries relevant to the purchase, holding or disposal of shares.

**SHARES MAY NOT BE OFFERED TO THE PUBLIC IN THE CAYMAN ISLANDS.**

## **THE PRIVATE CLIENT PORTFOLIO**

### **Principal Features**

The following information is in summary form only and is derived from, and must be read in conjunction with, the full text of this Prospectus.

### **ESTABLISHMENT**

The Company is an open-ended multi-class investment fund established in the Cayman Islands as an exempted company limited by shares. The Manager and Promoter is Private Client Portfolio Investment Management Limited. The Administrator, Registrar and Transfer Agent is Olympia Capital (Cayman) Limited which also provides the Company's registered and principal office in the Cayman Islands. The Administrator, Registrar and Transfer Agent's appointed agent in Dublin is Olympia Capital (Ireland) Limited.

### **LISTING**

The Directors may consider seeking a listing for shares in the Company on a recognised Stock Exchange.

### **STRUCTURE**

The different Funds which feature in the Company can be simply divided into two groupings, Global Managed Funds and Specialist Funds, as described below.

#### **Global Managed Funds**

Aggressive Fund  
Balanced Fund

#### **Specialist Funds**

North America Fund  
Europe Fund  
Pacific Fund  
Bond and Currency Fund  
Alternative Fund  
Emerging Markets Fund  
Aurora Defined Benefits Fund – USD Class  
Aurora Defined Benefits Fund – USD Accelerated Class  
Aurora Defined Benefits Fund – EURO Accelerated Class

Each of the Global Managed Funds and the Specialist Funds has the United States Dollar as their base currency however the Aurora Defined Benefits Fund – EURO Accelerated Class will have the Euro as its base currency and will accept subscriptions in Euros only.

### **AUTHORISED SHARE CAPITAL**

The Company has an authorised share capital of US\$500,000 divided into 49,999,900 participating, redeemable preference Shares of US\$0.01 and 100 Management Shares of

US\$0.01. The Management Shares are owned by Private Client Portfolio Investment Management Limited in the B.V.I.

## **OFFER OF SHARES**

### **Continuous Offer Period:**

The Company is open-ended; shares in each Fund will be available for subscription at a price based on the Net Asset Value per share. The Company operates a forward pricing policy and subscriptions will be dealt with at a price based on the Net Asset Value of the relevant Fund(s) on the relevant Dealing Day as defined herein. For all Funds, except the Aurora Defined Benefits Fund – USD Class, Aurora Defined Benefits Fund – USD Accelerated Class and Aurora Defined Benefits Fund – EURO Accelerated Class (the “Aurora Defined Benefits Funds”) which are subject to the Deferred Sales Charge and Redemption Charges, the Manager may impose a charge of up to 6.0% of the gross amount invested. In the continuous offer period, shares will be dealt weekly in all Funds with the exception of the Alternative Fund, and the Aurora Defined Benefits Funds, where dealings will be monthly. Other products may be offered subject to the terms and conditions of the provider.

## **APPLICATION FOR SHARES**

Applications for shares should be made by completing and signing the Application Form and mailing or sending this by facsimile, with original document being sent to the Company care of the Administrator, Registrar and Transfer Agent’s appointed agent in Ireland:

**The Private Client Portfolio  
C/o Olympia Capital (Ireland) Limited  
Transfer Agency Department  
6th Floor, Block 3  
Harcourt Centre  
Harcourt Road  
Dublin 2  
Ireland**

**Facsimile: +353 1 478 6327**

**Attention: Manager, Shareholder Services**

The amount invested will be net of the Manager’s initial charge (where applicable) and any collection charges that may be applied in the process of clearing the transaction. Where application is made by facsimile, the originally executed Application Form must still be forwarded on to Olympia Capital (Ireland) Limited, the Administrator, Registrar and Transfer Agent’s agent in Dublin. For all funds except the Aurora Defined Benefits Fund – EURO Accelerated Class, payment for shares applied for may be made by telegraphic transfer in US Dollars drawn on a major New York bank and made payable to the Company. For the Aurora Defined Benefits Fund – EURO Accelerated Class, payment for shares will be accepted in Euros only. Applicants are advised, whenever possible, to apply by facsimile and to make payment by telegraphic transfer

to avoid any delay in the allotment of their shares. See further details in 'Other Salient Features - Subscriptions'.

**For all Funds other than the Aurora Defined Benefits Fund – EURO Accelerated Class:**

**Correspondent Bank: Bank of New York, New York**

**ABA** : 021 000 018  
**Swift** : IRVTUS3N  
**Main Bank** : Bank of Ireland Global Markets, Dublin 1  
**Swift Address** : BOFIE2D  
**Account Name** : Olympia Capital (Ireland) Ltd Private Client Portfolio Section 52  
**Client Account**  
**Account No** : 44924055  
**IBAN** : IE30 BOFI 9013 9444 9240 55  
**Reference** : *(Please quote investor name and fund name as a reference).*

**For the Aurora Defined Benefits Fund – EURO Accelerated Class:**

Payment to be made by telegraphic transfer to:

**Correspondent Bank: Bank of Ireland**

**Address** : Lower Baggot Street, Dublin 2, Ireland  
**Swift** : BOFI IE2D  
**Sort Code** : 90 14 90  
**Account Name** : Olympia Capital (Ireland) Ltd Private Client Portfolio Section 52  
**Client Account**  
**Account No** : 25702439  
**IBAN** : IE56BOFI90149025702439  
**Reference** : *(Please quote investor name and fund name as a reference).*

Shares issued by the Company will be in registered form and will be uncertificated (issued without a certificate). As certificates are not issued, the Company will maintain a book stock account of the shares for which such Shareholder is entered in the register of Shareholders. Contract notes detailing the shares which have been provisionally allotted will normally be sent to applicants within 7 days of the relevant Dealing Day and a notice of confirmation detailing the number of shares purchased will be sent to Shareholder(s) within 30 days of the relevant Dealing Day provided all original documents have been received by the Administrator, Registrar and Transfer Agent's agent in Dublin.

**BUSINESS DAY AND DEALING DAY**

A Business Day is any day on which the banks are open for business in Dublin. Dealing Days for all Funds, except the Alternative Fund and the Aurora Defined Benefits Funds are Fridays of each week (unless not a Business Day in which case the Dealing Day will be the next Business Day). Dealing Days for the Alternative Fund will be the last day in each month, (unless not a Business Day, in which case the Dealing

Day will be the next Business Day). Dealing Days for the Aurora Defined Benefits Funds will be the first Business Day of each calendar month or such other day as the Directors may determine from time to time in their sole discretion. Dealing Days for products offered through other providers will be in accordance with the terms and conditions of such other providers.

## **DISTRIBUTIONS & ACCELERATED ALLOCATION**

The Directors do not intend to pay dividends in respect of any Fund.

For the Aurora Defined Benefits Fund – USD Accelerated Class and the Aurora Defined Benefits Fund – EURO Accelerated Class, investors will receive, upon subscription, an accelerated allocation (the “Accelerated Allocation”), which will be equivalent to 10% of their subscription amount; this will have the effect of an initial allocation of 110% at the outset; this will be borne by the Share Class and amortised back to that Share Class monthly over a period of eighty-four (84) months from the date of subscription. In the event of a redemption at any time prior to the first eighty-four (84) months from the issue of shares to an investor, the Manager has the right to deduct an amount equal to the Accelerated Allocation given to the investor on day one; this amount is payable to the Manager, less any unamortized proportion of the Accelerated Allocation, on the amount redeemed, which will be repaid to the respective Share Class.

## **COSTS, CHARGES AND FEES**

### **Management Fees:**

- (a) Global Managed Funds: The Company will pay to the Manager each month a fee of one twelfth of 1% of the average Net Asset Value of the Global Managed Fund Classes. The Manager will be responsible for the payment of fees to the Investment Advisors of the Global Managed Funds.
- (b) Specialist Funds: The Company will pay to the Manager each month a fee of one twelfth of 1.25% of the average Net Asset Value of each of the Specialist Fund classes, with the exception of the Alternative Fund and the Aurora Defined Benefits Fund – USD Class. The Manager will be responsible for the payment of fees to the investment Advisors of all Specialist Funds, with the exception of the Alternative Fund.

For the Aurora Defined Benefits Fund – USD Class, the Company will pay to the Manager each month a fee of one twelfth of 1% of the average Net Asset Value.

The appointed Hedge Fund Manager of the Alternative Fund charges a management fee, payable out of the assets of the Alternative Fund. The management fee for the Alternative Fund shall be 1.5% per annum of the value of funds under management. In addition, the appointed Hedge Fund Manager of the Alternative Fund reserves the right to charge a sales fee of 1% in connection with the purchase of shares.

### **Registration and Administration Fees:**

Olympia Capital (Cayman) Limited will receive fees at their normal commercial rate for carrying out the administration, share registration, and accounting and valuation services on behalf of the Company in accordance with the Administration, Registrar and Transfer Agency Agreement entered into between Olympia Capital (Cayman) Limited and the Company.

### **Other Expenses:**

The Company will bear the cost of all brokerage and commission and taxes payable on the purchase or sale of investments, interest and related fees on borrowing, initial and annual fees payable in respect of obtaining and maintaining exempted company status in the Cayman Islands, the costs of complying with the Mutual Funds Law (2003 Revision) of the Cayman Islands, fees and expenses of the auditors and legal advisers to the Company, Directors' fees and expenses, marketing costs/expenses, the cost of printing and distributing annual reports and statements, the cost of convening meetings, the cost of publishing Net Asset Values, the cost of obtaining and maintaining any Stock Exchange listing and inclusion of the Company on the Bloomberg system or any other data service which the Directors deem appropriate and any other operating expenses of the Company.

In addition to the above expenses, which apply to all the funds, there will be other promotional, set up and legal costs among others, relating specifically to the Aurora Defined Benefits Funds, which will be amortised over a five (5) year period. It is estimated that these one-off, initial costs, to be borne by the Aurora Defined Benefits Funds shall not exceed US\$ 50,000.

### **Deferred Sales Charge**

Investors who subscribe to the Aurora Defined Benefits Fund – USD Accelerated Class, and Aurora Defined Benefits Fund – EUR Accelerated Class will be subject to a charge, equal to 7% of the value of the subscription amount, which will be borne by the Share Class in the form of a Deferred Sales Charge and amortised back to that Share Class monthly over a period of eighty-four (84) months from the date of subscription.

Investors who subscribe to the Aurora Defined Benefits Fund – USD Class will be subject to a charge, equal to 5% of the value of the subscription amount, which will be borne by the Share Class in the form of a Deferred Sales Charge and amortised back to that Share Class monthly over a period of thirty-six (36) months from the date of subscription.

The Deferred Sales Charge shall apply to all initial subscriptions and any subsequent subscriptions. The full amount of the Deferred Sales Charge will be paid to the Manager.

### **Redemption Charge**

All Redemption Charges, applicable ONLY to the Aurora Defined Benefits Funds, will be payable to the Manager, less any unamortized proportion of the Deferred Sales Charge which will be repaid to the respective Share Class.

The redemption charges are the following:

- (i) Where redemptions of Shares are made within one (1) year of subscribing for Shares - a Redemption Charge of 7% of the greater of the original subscription amount and the redemption proceeds is payable by investors of the Aurora Defined Benefits Fund – USD Accelerated Class, and Aurora Defined Benefits Fund – EUR Accelerated Class; a Redemption Charge of 6% of the greater of the original subscription amount and the redemption proceeds is payable by investors of the Aurora Defined Benefits Fund – USD Class;
- (ii) Where redemptions of Shares are made after holding Shares for one (1) year but within two (2) years of subscribing for Shares - a Redemption Charge of 6% of the greater of the original subscription amount and the redemption proceeds is payable by investors of the Aurora Defined Benefits Fund – USD Accelerated Class, and Aurora Defined Benefits Fund – EUR Accelerated Class; a Redemption Charge of 4% of the greater of the original subscription amount and the redemption proceeds is payable by investors of the Aurora Defined Benefits Fund – USD Class;
- (iii) Where redemptions of Shares are made after holding Shares for two (2) years but within three (3) years of subscribing for Shares - a Redemption Charge of 5% of the greater of the original subscription amount and the redemption proceeds is payable by investors of the Aurora Defined Benefits Fund – USD Accelerated Class, and Aurora Defined Benefits Fund – EUR Accelerated Class; a Redemption Charge of 2% of the greater of the original subscription amount and the redemption proceeds is payable by investors of the Aurora Defined Benefits Fund – USD Class;
- (iv) Where redemptions of Shares are made after holding Shares for three (3) years but within four (4) years of subscribing for Shares - a Redemption Charge of 4% of the greater of the original subscription amount and the redemption proceeds is payable by investors of the Aurora Defined Benefits Fund – USD Accelerated Class, and Aurora Defined Benefits Fund – EUR Accelerated Class;
- (v) Where redemptions of Shares are made after holding Shares for four (4) years but within five (5) years of subscribing for Shares, a Redemption Charge of 3% of the greater of the original subscription amount and the redemption proceeds is payable by investors of the Aurora Defined Benefits Fund – USD Accelerated Class, and Aurora Defined Benefits Fund – EUR Accelerated Class;
- (vi) Where redemptions of Shares are made after holding Shares for five (5) years but within six (6) years of subscribing for Shares - a Redemption Charge of 2% of the greater of the original subscription amount and the redemption proceeds is payable by investors of the Aurora Defined Benefits Fund – USD Accelerated Class, and Aurora Defined Benefits Fund – EUR Accelerated Class;

- And
- (vii) Where redemptions of Shares are made after holding Shares for six (6) years but within seven (7) years of subscribing for Shares - a Redemption Charge of 1% of the greater of the original subscription amount and the redemption proceeds is payable by investors of the Aurora Defined Benefits Fund – USD Accelerated Class, and Aurora Defined Benefits Fund – EUR Accelerated Class.

There will be no redemption charge applicable for redemptions made after holding shares for seven (7) years or more for investors of the Aurora Defined Benefits Fund – USD Accelerated Class, and Aurora Defined Benefits Fund – EUR Accelerated Class.

## **INFORMATION TO SHAREHOLDERS**

### **Accounts:**

Shareholders can receive an annual, audited financial report of the Company.

### **Publication of Prices:**

The price of shares in each of the Funds, based on Net Asset Value per share of those Funds, will be available on the Manager's website, Bloomberg, Standard & Poor's and Lipper. The publication of the prices of products offered through other providers will be in accordance with the terms and conditions of such other providers.

## INVESTMENT STRUCTURE

### INTRODUCTION

The **Global Managed Funds** are designed for investors who wish to delegate the management of their investment portfolios, perhaps because they lack the time or expertise to do so themselves. A series of Global Managed Funds has been included to reflect different risk profiles. Generally, the Aggressive Fund will contain a higher equity content than the Balanced Fund and will be more suitable for investors taking a long-term perspective. The Balanced Fund will usually have a more significant portion of its portfolio in bonds and currencies. The portfolios of each of the Global Managed Funds may consist entirely of investments in the Specialist Funds and of cash on deposit.

The **Specialist Funds** are primarily designed for investors who feel comfortable managing their own investment portfolios. The range of funds is designed to provide access to all the main regional areas of investment as well as providing the facility to participate in emerging markets on a global basis. Investors who wish to manage their own balanced portfolio will also be able to take advantage of the Bond and Currency Fund and Alternative Fund.

Each of the Specialist Funds and Global Managed Funds is managed by a leading investment house (an “Investment Advisor”) with particular expertise in the markets. Details of the Investment Advisors and their areas of focus are set out below.

### ASSET ALLOCATION COMMITTEE

The Manager has introduced a unique process whereby a core group of the world’s leading investment banks and stockbrokers have been brought together to form the Asset Allocation Committee (AAC). The AAC meets regularly and advises the Manager on the portfolio composition of the two Global Managed Funds and, specifically, which of the Specialist Funds will be included in each of the two portfolios.

The selection of each member by the Manager is based on each Investment Advisor being a global participant with a regional or asset class specialisation.

It is accepted that each Investment Advisor will have a certain ‘style’ or ‘philosophy’ of his own. The Manager seeks to utilise a number of Investment Advisors in order to capitalise on an amalgamation of these styles whilst reducing the risk and to produce consistent returns comparable to the relevant benchmark. Details of the Investment Advisors and the Members of the Asset Allocation Committee are set out below.

## **THE INVESTMENT ADVISORS**

### **Forsyth Partners Limited:**

Forsyth Partners Limited is a private company in the UK. The Company was established in March 1991 by Paul Forsyth. The Company is an independent company owned by its senior executives. Forsyth Partners is regulated in the conduct of investment business by the FSA in the UK. The Company is an ISD company and has an outward passport to conduct investment management activities in a number of EC member states.

Forsyth Partners specialises in identifying the finest investment managers globally. The results of their work are presented through subscription based research services, which are provided, to institutional investors, asset managers and financial advisors in 45 countries. Over the last ten years, they have provided research, consultancy and investment management services to over 450 organisations.

As a research driven investment house, which is, involved in providing research services on a subscription basis, as well as managing investment portfolios, Forsyth Partners Limited consider that their independence is a crucial distinguishing factor. In addition, they do not believe that there are any direct competitors who provide the level of pro-active investment research into international fund managers, their strengths and weaknesses and how they are responding to changing market conditions. The focus of their research is not research for its own sake – it is intended to be usable as a dynamic investment tool.

The emphasis that Forsyth Partners Limited place on qualitative analysis, as opposed to simply looking at statistics provided by data services such as S&P Micropal and Reuters Lipper, is a further distinguishing factor. They aim to be predictive and do not want to be seen as focusing on historical events.

### **PIMCO**

A leading institutional fixed income manager with over USD351 billion in assets under management (as at 31 March 2005), PIMCO was established in 1971 and today is a member of the Allianz Group – Europe's largest insurance company. PIMCO has expertise as well as significant resources committed to virtually every sector of the global bond market, and has offices in New York, Singapore, Tokyo, London, Sydney, Munich, Toronto and Hong Kong.

PIMCO's funds have a record of outperforming the major bond indices in both bull and bear markets; PIMCO's consistent performance record can be attributed to several factors including a conservative investment philosophy with a focus on a longer-term investment horizon, the exploitation of diversified global investment opportunities and structural inefficiencies in the market place, a history of innovation, a focused organizational structure, and a global network of talented research personnel.

## **Morgan Stanley Quilter**

Morgan Stanley Quilter is a specialist in bespoke investment management services. With approximately £5.2bn in funds under management as at February 2006, its clients include UK and international private clients, charities and trusts, pension funds, corporate bodies and life companies. The company employs about 300 staff based in London and at 10 branches throughout the UK, in the Channel Islands and Ireland. Quilter & Co Limited is a wholly owned subsidiary of Morgan Stanley. It is a member of the London Stock Exchange (LSE) and is authorised and regulated by the Financial Services Authority (FSA) in the conduct of its investment business in the UK. Morgan Stanley Quilter is a business name of Quilter & Co. Limited.

Since 2001, Morgan Stanley Quilter has been a wholly owned subsidiary of Morgan Stanley, a global financial services firm and a market leader in securities, investment management and credit services.

Morgan Stanley Quilter has not been involved in the preparation of this Prospectus, has not verified the information it contains and can accept no liability thereof.

### **MEMBERS OF THE ASSET ALLOCATION COMMITTEE**

The Asset Allocation Committee consists of a representative of the Manager together with a representative from each of the appointed Investment Advisors. Details of the representatives of the Investment Advisors as of the date of this Prospectus are set out below:

#### **Chairman**

**Andrew Buchanan FSI:** Andrew is currently Senior Executive with a leading UK private bank based in the Channel Islands. Andrew has more than 30 years investment experience gained not only in the UK, but also Asia and the Channel Islands. He has sat on, or Chaired, a number of investment committees with the three major organizations with which he has been associated over the last 20 years. Andrew is a Fellow of The Securities Institute, having formerly been a Member of the London Stock Exchange. Throughout his career he has successfully managed private client, pension and institutional portfolios as well as a number of public funds. Andrew has been involved with the Private Client Portfolio since inception and with some of its Directors for more than 25 years.

#### **Members**

**Peter Toogood:** Mr Toogood is Chief Investment Officer of Forsyth Partners Limited. He is responsible for all investment activities and oversees all research services. He graduated with a BA (Hons) in Accountancy from the University of Exeter and holds the Financial Planning Certificate from the Chartered Insurance Institute. Mr Toogood joined Forsyth Partners Limited in 1995. Prior to Forsyth, he worked for two UK independent financial adviser groups and a UK building society. He is a regular 'guest host' and contributor to CNBC.

**Yiannis D Repoulis CFA:** Yiannis Repoulis is a Senior Vice-President and account manager of PIMCO. He joined PIMCO Europe Limited's London Office in 1998 to focus on the development of European client servicing. He is currently based in PIMCO Europe Limited's Munich office. Prior to joining the firm, Yiannis was associated with EFG Private Bank. He has nine years of investment experience and holds a bachelor's degree in economics and a master's degree in international political economy from the London School of Economics, and an MBA from the Kellogg Graduate School of Management, Northwestern University.

**Mike Broadhurst ASIP FSI** – Mike Broadhurst is a senior investment manager and team leader, based in the Birmingham office of Morgan Stanley Quilter. Mike has over 15 years experience and specialises in the management of private client portfolios (both onshore and offshore), pension funds and charities.

**Martin Oberholzer** – Martin Oberholzer is a client relationship manager for Man Investments, based in Pfaffikon, Switzerland. He is responsible for the Swiss markets.

Prior to joining Man Investments in 2003, Martin Oberholzer was a relationship manager for RMF. Martin Oberholzer started his career in 1986 when he joined Credit Suisse/Credit Suisse First Boston in the equity and fixed income capital markets division, and held several positions in Zurich, London, New York and Frankfurt as syndicate manager. In 1997 Martin joined Merrill Lynch in Zurich to head up the CHF fixed income new issue desk. In 1999 he became the country manager and managing director of Templeton in Switzerland responsible for establishing the business operation. Martin joined Swiss Life Hedge Fund Partners AG in 2001, and subsequently RMF in 2002.

Martin has a degree in marketing from the School of Economics and Business Administration, St. Gallen.

## **THE PRIVATE CLIENT PORTFOLIO INVESTMENT OBJECTIVES AND POLICY**

### **INVESTMENT OBJECTIVES**

The Company's objective is to offer investors a range of Funds each of which has an investment policy designed to generate capital growth by investing in different asset classes and markets and by using different financial instruments. The Manager has selected leading international investment advisors to provide investment advice to the Manager for each of the Funds. Each Specialist Fund may invest in other collective investment schemes (including other funds) and, in such circumstances, they will incur any investment management fees on any underlying schemes in addition to the management fee paid to the Manager. The Global Managed Funds will invest in the Specialist Funds. There are currently eleven (11) Funds, divided into two categories: Global Managed Funds and Specialist Funds:

### **GLOBAL MANAGED FUNDS**

**Aggressive Fund:** The Fund is designed for investors who seek above average returns, principally from equity markets and who are prepared to accept a higher degree of investment risk or volatility in the process. The Fund is characterised as higher risk because, through its investment in the Specialist Funds, it may carry an above average level of exposure to new or emerging markets which could include those of South East Asia, the Indian Sub-Continent, Latin America and Emerging Europe.

Benchmark: MSCI World 90% - Tremont Hedge 10%.

**Balanced Fund:** The Fund, through its investment in the Specialist Funds, aims to seek higher returns in the medium to long-term, accepting short term fluctuations in Fund values and is characterised as medium risk. The Investment Advisor anticipates that broad diversification will make this Fund less volatile than those of a more specialist nature, since historically this type of Fund has significantly outperformed the more cautious funds that have a strong emphasis on fixed interest.

Benchmark: 45% MSCI World 45% Citibank WGBI and 10% Tremont Hedge .

### **SPECIALIST FUNDS**

**North America Fund:** The investment objective of this Fund is to achieve long-term capital growth through investment in the United States and Canada. The Fund has the ability to hold cash and bonds and equities but will primarily hold collective investment schemes in the equity markets of these countries.

The principal benchmark for comparison purposes will be the S & P 500 Index; it is not anticipated that investment in Canada will materially affect the significance of the benchmark.

The Investment Advisor will not favour any particular sector over another, but where

possible growth prospects will be emphasised. The Investment Advisor to the North America Fund is Forsyth Partners Limited.

**Europe Fund:** The investment objective of this Fund is to achieve long-term capital growth by investing in Europe, including the UK. The Fund will have the ability to hold cash, bonds and equities, but will concentrate on collective investment schemes in the equity markets of the region.

The principal benchmark for comparison purposes will be the MSCI Europe.

The Investment Advisor believes that country allocation will play as equally an important role in policy as sectorial selection, but where possible growth prospects will be emphasised. The Investment Advisor to the Europe Fund is Forsyth Partners Limited.

**Pacific Fund:** The investment objective of this Fund is to produce long-term capital gains through a regionally diversified portfolio of collective investment schemes. The country weights will be determined by the assessment of the macro economic environment both globally and within the region. The mandate of the Fund in terms of countries includes Japan, Hong Kong, Singapore, Malaysia, Thailand, and Australia and could include China, Philippines, Indonesia, Korea, Taiwan and New Zealand. Implementation of the strategy may also be carried out via cash, bonds and equities.

The benchmark Index for this Fund is the FTSE All World Asia Pacific.

The Investment Advisor to the Pacific Fund is Morgan Stanley Quilter.

There can be no guarantee that the investment objective will be achieved or that this Fund will be managed in accordance with the composition of the index against which its performance is measured.

**Bond and Currency Fund:** The investment objective of this Fund is to achieve a return comprising income and capital gains derived from an actively managed portfolio of fixed interest securities denominated in a spread of the world's major and minor freely traded currencies. Such geographical diversification enables the Investment Advisor to exploit fluctuations in both short and long-term interest rates that arise worldwide and, in addition, to benefit from movement in exchange rates. The securities purchased will be high quality international bonds which are normally rated on average single 'A' by Standard & Poor's or are the equivalent in the opinion of the Investment Advisor, the minimum would be plus 'B' rating by Standard and Poor's. In unfavourable conditions, some portion of the Fund's assets will be placed in bank deposits and other appropriate short dated monetary instruments. The currency exposure will be managed separately from the underlying bonds through the use of hedging techniques.

The benchmark index for the Bond and Currency Fund is the Lehman Global Aggregate and \$ Hedged.

The Investment Advisor to the Bond and Currency Fund is PIMCO.

**Emerging Markets Fund:** The investment objective of this Fund is to achieve long term capital growth through a diversified portfolio of, principally, equities. The Fund will initially invest in collective investment schemes which, in turn, invest in the world's emerging markets.

The benchmark index for the Fund is the MSCI Emerging Markets Free Index.

The Investment Advisor to the Emerging Markets Fund is Forsyth Partners Limited.

**The Alternative Fund:** The objective of the Alternative Fund is to generate capital growth by investment in alternative non traditional investment strategies through the hedge fund market selected by the specialist hedge fund manager appointed by the Investment Advisor. This involves diversifying market risks by the careful selection of alternative programmes which invest in a wide spectrum of hedge funds and derivative instruments and which employ differing trading methods.

The aim is to achieve investment results which display a low or negative correlation to returns from mainstream investment classes such as fixed income and equity portfolios. In this way the Alternative Fund seeks to provide a balance to investment portfolios with an overall reduction in market risk and an increase in total returns.

The benchmark index for the Alternative Fund is the Hedge Funds Research Incorporated Fund of Funds Index.

The Investment Advisor to the Alternative Fund will be the Manager and Promoter of the Company, being Private Client Portfolio Investment Management Ltd, a Company incorporated in the B.V.I. The Investment Advisor may at its discretion, subcontract the management to one or more specialist hedge fund managers, if the Manager deems this to be advantageous to the success of the Alternative Fund.

**Aurora Defined Benefits Funds:** The investment objective of the Aurora Defined Benefits Funds is to provide investors with capital growth of 7% to 9% per annum. The Aurora Defined Benefits Funds utilize a unique asset class that has no correlation with equity market volatility and interest rate fluctuations, and is thus subject to a much lower level of investment risk in relation to its high potential for growth than other classes with comparable returns. Growth and volatility are pre defined through investment in a portfolio of Traded Life Policies, Traded Endowment Policies, and Funds of Traded Life Policies and Traded Endowment Policies, including the Specialist funds, as well as similar asset classes. The Managers may use leverage or leveraged funds and employ hedging strategies where they consider it desirable to enhance returns.

The uniqueness of the asset class also allows investors a wider investment risk diversification, which lowers the overall risk of their asset portfolio. The Fund aims to consistently outperform its Benchmark of European Central Bank base rate plus 2% per annum.

The Investment Advisor to the Aurora Defined Benefits Funds is The Private Client Portfolio Investment Management Ltd. The Investment Advisor may at its discretion, subcontract the management to one or more specialist fund managers and/or actuaries, if the Manager deems this to be advantageous to the success of the Aurora Defined Benefits Funds.

## **RISK FACTORS**

**General:** Investment in securities issued by companies and governments of different nations and denominated in different currencies involves certain risks. These risks include exchange rate fluctuations, international and regional political and economic developments, and the possible imposition of exchange controls or other local governmental laws or restrictions applicable to such investments.

Investors are reminded that fluctuations in the value of the underlying securities and the income from them may mean that the value of the shares may fall as well as rise. There can be no guarantee against loss resulting from an investment in any fund(s), nor any assurance that the fund(s) investment objective(s) will be attained. The managers cannot guarantee the performance or any future return of the Company or any of its funds. The right to redeem shares may also be temporarily suspended in certain circumstances.

**Currency Exchange:** The assets of certain Funds will be invested primarily in securities denominated in currencies other than US Dollars and income received by those Funds from those investments will be received in such currencies. The Funds (with the exception of the Aurora Defined Benefits Fund – EURO Accelerated Class which will compute its net asset value in Euros), will compute their Net Asset Value in US Dollars; however, there is therefore a currency exchange risk which may affect the value of the shares.

Hedging instruments may be employed in order to reduce currency exchange risk.

Subscriptions for the Aurora Defined Benefits Fund – EURO Accelerated Class will be accepted in Euros. Its assets will be invested primarily in securities denominated in currencies other than Euros and income received from these investments will be received in such currencies. Investors making Euro subscriptions should give consideration to the potential losses that arise from currency fluctuations between the Dollar, and any other currency that the assets of the Fund may be denominated in, and their own functional currency.

**Emerging Markets:** Trading volumes on securities markets in certain emerging markets may be substantially less than in the world's leading stock markets. Accordingly, the accumulation and disposal of investments in such markets may be time consuming and may need to be conducted at unfavourable prices. Liquidity may also be less, and volatility of price greater than in the leading markets. The value of assets of any Fund which has made investments in emerging markets may be affected by uncertainties such as changes in government policies, taxation, currency repatriation

restrictions and other legal or regulatory developments, and in particular by changes in legislation relating to the level of foreign ownership in companies in certain countries. Accounting, auditing and financial reporting standards, practices and disclosure requirements applicable to companies operating in emerging markets may differ from those applicable in countries belonging to the Organisation for Economic Co-operation and Development (OECD).

There is, in some emerging market countries, a higher than usual risk of nationalisation, expropriation or confiscatory taxation, any of which might have an adverse effect on the value of investments in those countries. Emerging market countries may also be subject to higher than usual risks of political changes, government regulation, social instability or diplomatic developments (including war) which could adversely affect the economies of the relevant countries and thus the value of investments in those countries.

The economies of many emerging market countries can be heavily dependent on international trade and, accordingly, have been and may continue to be adversely affected by trade barriers, managed adjustments in relative currency values, other protectionist measures imposed or negotiated by the countries with which they trade and international economic developments generally.

**Derivatives:** Certain of the Funds may invest in derivatives. The purchase and/or writing of derivative instruments such as put and call options, whilst often utilised to hedge investments, are highly specialised activities and entail greater risks than ordinary investment risks.

### **Traded Life Policies**

The Aurora Defined Benefits Funds will invest primarily in Traded Life Policies (TLPs) or Traded Endowment Policies (TEPs). In the event of default by one or more of the life assurance companies who have issued TLPs or TEPs to the Fund, there will be considerable losses to the Fund and to shareholders. The valuation method associated with TLPs is based on the life expectancy opinions of medical experts and cannot be guaranteed. Policies that run for longer than their estimated life expectancy will require a greater number of premiums to be paid by the Fund which could reduce the overall returns to shareholders. In the case of TLPs the valuation model will be based upon previous claims experience that may not be accurately reflected by the TLPs held by the Fund. If average terms to maturity become greater than the life expectancy opinions provided, the overall returns to shareholders may be reduced.

The valuation method associated with TEPs is based on a fair market value estimate that is not guaranteed and is reliant upon the future performance of the issuing insurance company. Whilst policies may be surrendered or sold on the secondary market prior to their maturity they may not maximize their potential return by doing so.

## **Use of Leverage**

The Aurora Defined Benefits Funds may employ leverage. The use of leverage exposes the Funds to additional levels of risk, which may force premature liquidations of investment positions.

## **Conflicts of Interest**

Potential investors should be aware that there may be situations in which each and any of the Directors, the Investment Manager, and the Administrator, Registrar and Transfer Agent, (together the “Interested Parties”), could encounter a conflict of interest in connection with the Company. In particular, potential investors should be aware of the following:

Certain Directors of the Company or entities in which they may have a financial or managerial interest, may receive a portion, or all, of the brokerage commissions, transaction charges, advisory fees or management fees paid by the Company during the course of its day-to-day business; thus, to the extent of such purchases, such Directors may have a conflict of interest between their duty to act for the benefit of the Shareholders in limiting expenses of the Company, and their interest in receiving such fees and/or commissions.

The Manager may make investments for other clients without making the same available to the Fund where, in regard to its obligations under the Investment Management Agreement, the Manager considers that it is acting in the best interests of the Fund, so far as reasonably practicable having regard to its obligations to other clients.

The Manager, the Investment Adviser, the Promoter, any of their directors, officers, employees, agents and affiliates and the Directors and any person or company with whom they are affiliated or by whom they are employed (each an Interested Party) may be involved in other financial, investment or other professional activities including in connection with the underlying Funds which may cause conflicts of interest with the Fund. Furthermore, Interested Parties may provide services similar to those provided to the Fund to other entities and will not be liable to account for any profit earned from any such services; also an Interested Party may acquire investments in which the Fund may invest on behalf of clients. Furthermore, when the Manager allocates an investment into a fund which is also managed by the Manager, the Manager may collect a management charge on such investments in addition to the management charge set out in this Prospectus.

The Company may acquire securities from or dispose of securities to any Interested Party or any investment fund or account advised or managed by any such person. An Interested Party may provide professional services to the Company (provided that no Interested Party will act as auditor to the Company) or hold Shares and buy, hold and deal in any investments for their own accounts notwithstanding that similar investments may be held by the Company. An Interested Party may contract or enter

into any financial or other transaction with any shareholder or with any entity any of whose securities are held by or for the account of the Company, or is interested in any such contract or transaction. Furthermore, any Interested Party may receive commissions to which it or he is contractually entitled in relation to any sale or purchase of any investments of the Company effected by it for the account of the Company, provided that each case the terms are no less beneficial to the Company than a transaction involving a disinterested party and any commission is in line with market practice.

## **THE PRIVATE CLIENT PORTFOLIO MANAGEMENT AND ADMINISTRATION**

### **DIRECTORS**

The Directors of the Company are:

**Kevin A Mudd Bsc. (Econ) Hons:** Mr. Mudd is Founder and Chairman of several leading, independent networks, providing financial advice, planning and asset management. He has twenty-three years experience in the international financial services industry.

**Periklis Themistokli Msc Shipping, Trade & Finance, Bsc (Acc) Hons:** Mr. Themistokli is Operations Manager of an international company that provides investment management and bespoke investment products to international investors. He has over eleven (11) years experience in the banking and investment industry, and has worked, amongst others, for Bank of Cyprus, HSBC Republic as well as Societe Generale.

### **MANAGER AND PROMOTER**

The Manager and Promoter of the company is Private Client Portfolio Investment Management Limited, a company incorporated in the B.V.I. Pursuant to a Management Agreement between the Manager and the Company, the Manager is responsible for the day-to-day investment management of the Company. The Manager, in its capacity as Promoter, will also act as distributor for the Company, for which it will receive the subscription charge for all funds except the Aurora Defined Benefits Funds. With respect to the Aurora Defined Benefits Funds, the Manager and Promoter will receive the Deferred Sales Charge.

### **ADMINISTRATION AND REGISTRATION ARRANGEMENTS**

#### **Administrator:**

Olympia Capital (Cayman) Limited has been appointed as Administrator, Registrar and Transfer Agent of the Company pursuant to an Administration, Registrar and Transfer Agency Agreement between the Company and the Administrator, Registrar and Transfer Agent (the "Administrator, Registrar and Transfer Agency Agreement") under which it will provide administration services to the Company. The Administrator, Registrar and Transfer Agency Agreement provides that, in acting as the Company's Administrator, Registrar and Transfer Agent, the Administrator, Registrar and Transfer Agent and its officers, directors, employees, controlling persons, agents, servants, delegates, shareholders and any other person or entity affiliated with the Administrator, Registrar and Transfer Agent or retained by it, will perform, or cause and supervise the performance of, its duties and obligations under the Administration, Registrar and Transfer Agency Agreement. The Administrator, Registrar and Transfer Agent's appointed agent in Dublin is Olympia Capital (Ireland) Limited, 6th Floor,

Block 3, Harcourt Centre, Harcourt Road, Dublin 2, Ireland.

The Administrator, Registrar and Transfer Agent may also provide administration services to other investment companies and unit trusts and to other institutional and private investors.

The Administration, Registrar and Transfer Agency Agreement contains indemnities in favour of the Administrator, Registrar and Transfer Agent and its affiliates excluding matters arising by reason of its fraud, wilful default and negligence in the performance of their duties.

## **THE PRIVATE CLIENT PORTFOLIO OTHER SALIENT FEATURES**

### **OFFER OF SHARES**

Shares in each Fund will be offered on the Dealing Days applicable for the relevant fund at a price based on Net Asset Value of the shares of the relevant fund. Each Fund (except the Aurora Defined Benefits Funds), may also be subject to a charge of up to 6.0% of the gross amount invested.

Dealing Days for subscriptions into each Fund with the exception of the Alternative Fund and the Aurora Defined Benefits Funds will be Friday of each week unless not a Business Day in which case the Dealing Day will be the next Business Day. The Dealing Day for the Alternative Fund will be the last day in each month, (unless not a Business Day, in which case the Dealing Day will be the next Business Day). Dealing Days for the Aurora Defined Benefits Funds will be the first Business Day of each calendar month or such other day as the Directors may determine from time to time in their sole discretion. Dealing Days for products offered through other providers will be in accordance with the terms and conditions of such other providers.

Investors who subscribe to the Aurora Defined Benefit Funds will bear a Deferred Sales Charge of 7% of the value of any subscription. This Sales Charge will be amortised back to that Share Class monthly over a period of eighty-four (84) months from the date of subscription. The Deferred Sales Charge shall apply to all initial subscriptions and any subsequent subscriptions. The full amount of the Deferred Sales Charge will be paid to the Manager. All Redemption Charges will be payable to the Manager, less any unamortized proportion of the Deferred Sales Charge which will be repaid to the respective Share Class.

### **VALUATIONS**

The Net Asset Value of each Fund will be calculated on the Valuation Date. The Valuation Date for each Fund with the exception of the Alternative Fund and the Aurora Defined Benefits Funds will take place weekly (on the Friday of each week unless such day is not a Business Day, in which case the Valuation Date will be the next Business Day) as at the close of business in the relevant market on the Valuation Date. The Valuation Date of the Alternative Fund and the Aurora Defined Benefits Funds will be quarterly (on the last Business Day of the quarter) and monthly (on the last Business Day of the month) respectively. Valuations for products offered through other providers will be calculated in accordance with the terms and conditions of such other providers. Where any of the Global Managed Funds hold an investment in the Alternative Fund then, for the purposes of the valuation of the Global Managed Funds, an estimated value of the Alternative Fund will be obtained from the selected European hedge fund managers. Details of the policy to be followed in relation to such valuations, as well as the circumstances in which the calculation of Net Asset Value and dealings in the shares may be suspended, are set out below.

## **SUBSCRIPTIONS**

With the exception of subscriptions for the Alternative Fund applications where money is remitted from any country other than those prescribed by The Criminal Justice Act 1994 of the Republic of Ireland applications and cleared funds must be received by the Administrator, Registrar and Transfer Agency's agent in Dublin by 5p.m. Irish Time 5 clear business days prior to the Dealing Day in question. For monies originating from one of the prescribed countries applications and cleared funds must be received by 5p.m. Irish Time three (3) clear Business Days prior to the Dealing Day in question.

For subscription to the Alternative Fund applications and cleared funds must be received by Olympia Capital (Ireland) Limited, the Administrator, Registrar and Transfer Agency's agent in Dublin by 5 p.m. Irish time five Business Days prior to the Dealing Day in question.

The minimum subscription for each Fund, with the exception of the Aurora Defined Benefits Fund – EURO Accelerated Class, is Five Thousand US dollars (US\$5,000) and the minimum additional subscription for these funds is Five Thousand US Dollars (US\$5,000).

For the Aurora Defined Benefits Fund – EURO Accelerated Class, the minimum subscription shall be EURO Ten Thousand (€10,000), and the minimum additional subscription shall be EURO Five Thousand (€5,000).

For products offered through other providers, payment will need to be made in accordance with the terms and conditions of such other provider.

## **ANTI-MONEY LAUNDERING POLICY**

The Company operates a forward pricing policy and subscriptions will be dealt with at a price based on the Net Asset Value of the shares of the relevant Fund on that Dealing Day. Any application received after the stipulated time will be treated as an application for shares to be dealt in on the following Dealing Day at the subscription price applicable to that Dealing Day.

Measures aimed towards the prevention of money laundering, within the jurisdiction of the Administrator, Registrar and Transfer Agent and its affiliates may require a detailed verification of the applicant's identity. By way of example an individual will be required to produce a copy of a passport or identification card duly certified by a notary public, together with evidence of his/her address such as a utility bill or bank statement and 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 addresses of all directors. The Administrator, Registrar and Transfer Agent and its affiliates reserves 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, Registrar and Transfer Agent and its affiliates or the Company may refuse to accept the application and all subscription monies.

### **ANTI-MONEY LAUNDERING POLICY CAYMAN ISLANDS**

In order to comply with regulations aimed at the prevention of money laundering, the Company will require verification of identity from all prospective investors (unless in any case the Company is satisfied that an exemption under the Money Laundering Regulations (Revision 2003) of the Cayman Islands (the “Regulations”) applies). Depending on the circumstances of each subscription, it may not be necessary to obtain full documentary evidence of identity where:

- (a) The prospective investor makes the payment for his investment from an account held in the prospective investor’s name at a recognised financial institution;
- (b) The prospective investor is regulated by a recognised regulatory authority and is based or incorporated in, or formed under the law of, a recognised jurisdiction; or
- (c) The subscription is made by an intermediary acting on behalf of the prospective investor and such intermediary is regulated by a recognised regulatory authority and is based or incorporated in, or formed under the law of, a recognised jurisdiction.

For the purposes of these exceptions, recognition of a financial institution, regulatory authority or jurisdiction will be determined in accordance with the Regulations by reference to those jurisdictions recognised by the Cayman Islands as having sufficient anti-money laundering regulations.

The Company and the Administrator, Registrar and Transfer Agent and its affiliates each reserve the right to request such information as is necessary to verify the identity of a prospective investor. The Company and the Administrator, Registrar and Transfer Agent also each reserve the right to request such identification evidence in respect of a transferee of Shares. In the event of delay or failure by the prospective investor or transferee to produce any information required for verification purposes, the Company or Administrator, Registrar and Transfer Agent may refuse to accept the application or (as the case may be) to register the relevant transfer and (in the case of a subscription of Shares) any funds received will be returned without interest to the account from which the monies were originally debited.

The Company and the Administrator, Registrar and Transfer Agent also each reserve the right to refuse to make any redemption payment to a Shareholder if any of the Directors of the Company or the Administrator, Registrar and Transfer Agent suspects or is advised that the payment of any redemption moneys to such Shareholder might result in a breach or violation of any applicable anti-money laundering or other laws or

regulations by any person in any relevant jurisdiction, or such refusal is considered necessary or appropriate to ensure the compliance by the Company, its Directors or the Administrator, Registrar and Transfer Agent with any such laws or regulations in any relevant jurisdiction.

If, as a result of any information or other matter which comes to his attention, any person resident in the Cayman Islands (including the Company, its Directors and the Administrator, Registrar and Transfer Agent or its affiliates) knows or suspects that another person is engaged in money laundering, such person is required to report such information or other matter pursuant to the Proceeds of Criminal Conduct Law (2004 Revision) of the Cayman Islands and such report shall not be treated as a breach of any restriction upon the disclosure of information imposed by law or otherwise.

## **SWITCHING**

Shareholders can transfer or switch all or part of their holding of shares in any Fund to shares of another Fund by giving notice to the Administrator, Registrar and Transfer Agent's agent in Dublin in the manner required for the subscription of shares. Switching of products provided through other providers will be in accordance with the terms and conditions of such other providers. Switches will be effected at a price based on the net asset value of the Funds concerned on the appropriate Dealing Day, plus a maximum switch fee of up to 1% of the value of the shares switched. A notice of confirmation detailing the switching of shares that has been effected will be sent to the Shareholder(s) within 30 days of the relevant Dealing Day.

## **TRANSFERS**

Shareholders will be entitled to transfer shares by an instrument in writing executed by or on behalf of the transferor and the transferee, in such form as acceptable to the Administrator, Registrar and Transfer Agent. No transfer of shares will be registered if the transferee is a Non-Qualified Person (See below). No transfer shall be deemed effective until the shares have been registered in the transferee's name in the Shareholders register.

If the Directors refuse to register a transfer for any reason, they shall within one month after the date on which the transfer was lodged with the Company send to the transferor notice of the refusal. Should, for any reason, the Directors suspend the registration of transfers, the Directors will cause a notice of such suspension to be published in The Financial Times.

## **REDEMPTIONS**

Redemptions in each Fund with the exception of the Alternative Fund and the Aurora Defined Benefits Funds may be effected weekly, at prices based on Net Asset Value per share prevailing on the relevant Dealing Day. Requests for redemption must be received by Olympia Capital (Ireland) Limited, the Administrator, Registrar and Transfer Agent's agent in Dublin, by 5.00pm Irish time at least two Business Days prior

to the relevant Dealing Day except the Alternative Fund and the Aurora Defined Benefits Funds. Shares in the Alternative Fund may be redeemed quarterly after giving 95 days prior notice, to be received no later than the 25<sup>th</sup> calendar day, unless such day is not a Business Day, in which case the next Business Day, of the last month of the quarter immediately preceding the quarter in which the redemption day falls. Shares in the Aurora Defined Benefits Funds may be redeemed monthly on the giving of one month's notice to redeem. Redemption requests must be received by the Administrator, Registrar and Transfer Agent's agent in Dublin at least two Business Day's prior to a Dealing Day (as defined for the Aurora Defined Benefits Funds).

Redemption of products offered through other providers will be in accordance with the terms and conditions of such other providers. In certain circumstances, including, but not limited to, the inability of the relevant Fund reasonably to determine the Net Asset Value of any Class by reason of the suspension of trading on any established market where interests of the Fund are traded, or default or delay in payments due to the Fund from banks or other persons including but not limited to the underlying funds (including but not limited to any suspension of redemption or valuation of the underlying funds) the Fund may in turn suspend the issue, valuation and/or the redemptions of Shares as of the applicable Dealing Day or delay payment to persons requesting redemption of Shares.

The redemption price will equal Net Asset Value per Share of the relevant Fund as at that Dealing Day, less an amount sufficient to meet the cost of any duties and charges incurred on the sale of any assets required to provide funds to meet a redemption request and any Redemption Charges ( if applicable).

Requests for redemption should be in writing addressed to Olympia Capital (Ireland) Limited, the Administrator, Registrar and Transfer Agent's agent in Dublin. Payment will only be made on receipt of completed original documentation. Where appropriate, a notice confirming the number of shares in the Company still held will be sent, within 30 days of the relevant Dealing Day.

The Articles of Association give the Directors the power to limit redemptions to 10% of the outstanding shares of the Company on any Dealing Day or to temporarily suspend redemption in any Fund so as to effect the orderly liquidation of assets necessary to meet redemption requests.

Shareholders may request a redemption by giving facsimile instructions to Olympia Capital (Ireland) Limited (facsimile: +353 1 478 6327), Attention: Manager, Shareholder Services (with the original to follow by mail) duly signed by all parties authorised to act on the account. In this circumstance the Shareholder must provide Olympia Capital (Ireland) Limited with written instructions detailing the bank account to which the proceeds are to be sent. No third party payments will be made. Contract notes will be provided to all Shareholders making a redemption.

The Manager reserves the right to compulsorily redeem the Account upon any Valuation Date by giving at least five Business Days notice.

Generally the redemption proceeds will be paid in the base currency of the particular Fund by telegraphic transfer. Payment will generally be made within thirty (30) days of the relevant Dealing Day for the weekly funds, generally sixty days for the Alternative Fund and within forty-five (45) days for the Aurora Defined Benefits Funds, provided Anti-Money Laundering checks have been completed and the administrator is in receipt of the original redemption request. The onus to provide accurate bank account details rests solely with the Shareholder.

## **NON-QUALIFIED PERSONS**

A 'non-qualified person' is defined in the Articles as any person to whom a transfer to or holding by such person of shares would:

- (a) be in breach of any law or requirement of any country or governmental authority in any jurisdiction whether on its own or in conjunction with any other relevant circumstances; or
- (b) result in the Company incurring any liability to taxation which the Company would not otherwise have incurred or suffered; or
- (c) require the Company to be registered under any statute, law, or regulation whether as an investment fund, trust scheme or otherwise or cause the Company to be required to apply for registration or comply with any registration requirements in respect of any of its shares whether in the United States of America or any other jurisdiction; or
- (d) cause the assets of the Company to be considered 'plan assets' within the meaning of the Employee Retirement Income Security Act of 1974, (as amended) of the United States of America.

## **TAXATION**

The following summary of the anticipated tax treatment of the Company in the Cayman Islands is based on current law and practice in the Cayman Islands and is subject to changes therein. Prospective investors should consult their professional advisers on the laws and regulations relating to the acquisition, holding and disposal of shares under the laws of the jurisdictions in which they are subject to taxation.

There are no income, corporation, capital gains or other taxes in effect in the Cayman Islands on the basis of the present legislation. An undertaking has been given by the Governor-in-Council of the Cayman Islands pursuant to the Tax Concessions Law of the Cayman Islands that in the event of any change to the foregoing, the Company, for a period of twenty years from the date of the grant of undertaking, will not be chargeable to tax in the Cayman Islands on its income or its capital gains arising in the Cayman Islands or elsewhere and that any dividends of any Fund would be payable without deduction of Cayman Islands tax. No capital or stamp duties are levied in the Cayman Islands on the issue, transfer or redemption of shares. The only charges currently

applicable to the Company in the Cayman Islands are (i) an annual charge calculated on the nominal amount of the authorised share capital of the Company, which is approximately US\$ 800 per annum and, (ii) an annual fee of approximately US\$3,048.78 payable pursuant to the Mutual Funds Law (2003 Revision) of the Cayman Islands

There are no exchange controls in the Cayman Islands.

## **ACCOUNTS**

The Company's first financial period ended on the 31 December 1997 and subsequent financial periods of the Company will end on the 31st day of December in each year. Copies of the audited accounts of the Company made up to the 31 December in each year may be sent to the Shareholders at their registered address normally within four months of the financial year end. Further copies of these accounts will be available at the registered office of the Company.

## **SHARE CAPITAL AND SHARE RIGHTS**

The authorised share capital of the Company is US\$500,000 divided into 100 Management Shares of US\$0.01 par value each and 49,999,900 participating redeemable preference shares of US\$0.01 par value each. The Directors may issue any of the participating redeemable preference shares in the capital of the Company as shares of any class and the shares shall be divided into classes according to the Fund to which they are designated. The Directors shall determine from time to time the investment objectives and policy and other terms and conditions of each Fund including the base currency of each Fund. All monies payable on or in respect of a share shall be paid in a base currency of the relevant Fund, or in such other currency as the Directors may in consultation with the Manager determine either generally or in relation to a particular class of shares or in any specific case.

### **Management Shares**

Management Shares shall only be issued at par value and to such person or persons as the Directors may determine. Management Shares shall confer upon the holders thereof rights in a winding up or repayment of capital as set out below but shall not confer any other right to participate in the profits or assets of the Company.

The holder of a Management share shall (in respect of such share and for such time as there are any Participating Shares in issue) have no right to receive notice of, to attend at or to vote as a Shareholder of the Company at any general meeting of the Company, except when a class meeting is required. Management Shares are not redeemable at the option of the holder. The Management Shares are owned by Private Client Portfolio Investment Management Limited in the B.V.I.

### **Participating Redeemable Preference Shares:**

The Shareholder shall have the right to receive notice of and to attend and vote at any general meeting of the Company. The assets available for distribution among the

Shareholders in the event of liquidation shall be applied in the following priority;

- (a) firstly, in the payment to the holders of the participating shares of each class a sum in the currency in which that class is designated as nearly as possible equal to the nominal amount of the participating shares of such class held by such holders respectively; provided that there are sufficient assets available in the relevant Fund to enable such payment to be made. In the event, as regards any class of participating shares, there are insufficient assets available in the relevant Fund to enable such payment to be made, recourse shall be had: -
- (i) firstly, to the assets of the Company not comprised within any of the Funds:  
and
- (ii) secondly, to the assets remaining in the Funds for the other classes of participating shares (after payment to the holders of the participating shares of the classes to which they relate of the amount to which they are respectively entitled under this paragraph (a)) pro rata to the total value of such assets remaining within each such Fund:
- (b) secondly, in the payment to the holders of the Management Shares of sums up to the nominal amount paid up thereon out of the assets of the Company not comprised within any of the Funds remaining after any recourse thereto under paragraph (a) (i) above. In the event that there are insufficient assets as aforesaid to enable such payment in full to be made, no recourse shall be had to the assets comprised within any of the Funds;
- (c) thirdly, in the payment to the holders of each class of participating shares of any balance then remaining in the relevant Fund, such payment being made in proportion to the number of shares of that class held.

## **SHAREHOLDERS' MEETINGS**

The Directors may convene and the Company may hold general meetings and Annual General Meetings at such times and places as the Directors shall appoint.

A general meeting called for the passing of a Special Resolution or a resolution appointing a person as a Director shall be called by not less than twenty-one clear days notice in writing. All other general meetings shall be called by not less than fourteen clear days notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given and shall specify the place, day and time of the meeting, the general nature of the business to be transacted and the nature of any resolutions to be passed at such meeting. General meetings may be held in such venue or venues as determined by the Directors. Notice of every general meeting shall be given to all Shareholders other than any who, under the provisions of the Articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company, and also to the Company's auditors, or, if more than one, each of them.

## **DIRECTORS**

There shall be a Board of Directors consisting of not less than two or more than ten persons (exclusive of alternate Directors) provided however that the Company may by Ordinary Resolution increase or reduce the limits in the number of Directors. The first Directors of the Company shall be determined in writing by the subscriber to the Prospectus.

The Directors shall be entitled to be paid for their general services to the Company. The Directors may by resolution award special remuneration to any Director of the Company undertaking any special work or services for, or undertaking any special mission on behalf of, the Company other than his ordinary routine work as a Director. Any fees paid to a Director who is also counsel or solicitor to the Company, or otherwise serves it in a professional capacity shall be in addition to his remuneration as a Director.

## **CALCULATION AND SUSPENSION OF NET ASSET VALUE**

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

The Net Asset Value of a Participating Share of any class shall be calculated by reference to the net assets attributable to such class of Participating Shares in accordance with the following provisions:

- (a) Subject to paragraph (b) below, the Net Asset Value per Participating Share of the relevant class will be expressed in such currency as the Directors may determine from time to time calculated as follows: as of the Valuation Date, the Net Asset Value of such class divided by the number of fully paid rounded down Participating Shares of such class in issue or deemed to be in issue.
- (b) For the purpose of calculating the Subscription Price and the Redemption Price per Participating Share of any class, the Net Asset Value per participating Share shall then be adjusted as may be determined by the Board to ensure that the costs associated with such redemption or subscription are charged to the redeeming or subscribing Shareholder accordingly.

The gross assets of the Company or of any Fund shall be deemed to comprise the aggregate of:

- (a) investments owned or contracted to be acquired;
- (b) cash on hand or on deposit including accrued interest;
- (c) cash payments outstanding on any Participating Shares (or Participating Shares of the relevant class, as the case may be) issued or deemed to be in issue;
- (d) bills and demand notes and amounts receivable including net amounts receivable in respect of investments contracted to be realised;

- (e) stock and cash dividends and cash distributions receivable but not yet received if the Net Asset Value is being determined as at the record date (or the ex-dividend date if different from the record date) (or a date subsequent thereto);
- (f) interest accrued on interest-bearing investments except that accrued on securities which are included in the quoted price;
- (g) other property and assets of any kind and nature including applicable prepaid expenses and unamortised pre-incorporation and pre-operating expenses and the capitalised expenses of any offering of Participating Shares (or Participating Shares of the relevant class as the case may be) as valued and defined by the Directors; and where the current price of an asset is quoted 'ex' dividend, interest or other payment but such dividend, interest or other payment is payable to the Company and has not been received, the amount of such dividend, interest or other payment shall be taken into account in determining the assets of the Company;
- (h) all unamortised expenses relating to the formation of the Company (or the proportion of such expenses as the Directors may deem attributable to the relevant Fund).

From which shall be deducted in relation to the Company or to a particular Fund, as applicable:

- (i) bills and accounts payable;
- (j) management and administrative expenses payable and/or accrued (the latter on a day-to-day basis);
- (k) the gross acquisition consideration of investments or other property contracted to be purchased;
- (l) reserves authorised or approved by the Directors for duties and charges or taxes or contingencies (accrued where appropriate on a day-to-day basis);
- (m) the aggregate amount of all borrowings and interest commitment fees and other charges arising in connection therewith (accrued where appropriate on a day-to-day basis);
- (n) in relation to calculating the Net Asset Value of the Company, the value of the Management Shares; and
- (o) other liabilities attributable of whatsoever nature (which shall, where appropriate, be deemed to accrue from day-to-day) including outstanding payments on any Participating Shares previously redeemed or deemed to have been redeemed, (contingent liabilities (if any) being valued in such manner as the Directors may determine in any particular case), but excluding liabilities represented by shares in issue or deemed to be issued and surplus of the Company.

For the purpose of calculating the number of Participating Shares in issue or deemed to be in issue, Participating Shares for which applications for subscription or redemption have been duly made to be dealt with at a Net Asset Value to be determined as at a particular Valuation Date shall be deemed to be in issue or redeemed on the commencement of the next following Valuation Date and the full subscription or redemption monies to have been received or paid (as the case may be) in respect thereof to have been so received or paid (as the case may be).

For the purpose of calculating the value of the net assets of the Company or of any Fund:

- (a) the value of any cash on hand or on deposit, bills, demand notes, accounts receivable, prepaid expenses, cash dividends and interest declared or accrued and not yet received shall be deemed to be the full amount thereof unless the Directors shall have determined that any such deposit, bill, demand note or account receivable is not worth the full amount thereof in which event the value thereof shall be deemed to be such value as the Directors shall deem to be the reasonable value thereof;
- (b) all calculations based on the value of investments quoted, listed, traded or dealt in on any Stock Exchange shall be made by reference to the latest available quoted traded price (or, in the absence of any traders, at the latest available bid price) on the Principal Stock Exchange for such investments prevailing as at the Cayman Islands close of business in the relevant markets on the Valuation Dates as of which such calculation is to be made (or prevailing at such other time as the Directors may determine; all calculations based on the value of investments traded or dealt in on any over-the-counter market which is the Principal Stock Exchange therefore shall be made by reference to the latest available bid price quoted thereon provided always that if the Directors in their discretion consider that the prices prevailing on a Stock Exchange other than the Principal Stock Exchange provide in all the circumstances a fairer criterion of value in relation to any such investment, they may adopt such prices;
- (c) all investments in unlisted companies shall be valued at cost except (a) where a third party transaction has taken place, in which case the value will be adjusted to reflect such price; or (b) where there has been a material deterioration in the financial condition of the investment in which case the Manager shall recommend to the Directors such lower price as represents a reasonable market price for the securities and the intrinsic value for the underlying assets represented thereby. Upon acceptance by the Directors of this price, or any other price as the Directors may determine to be a reasonable and accurate reflection of the value to the Company of the securities, the Company shall thereafter use such value as the value of the securities in calculating the Company's net asset value.
- (d) bonds, debentures, financial notes and other securities not listed or dealt in on a Recognised Securities market will be valued at cost plus interest (if any) accrued but not paid from purchase to the relevant Valuation Date plus or minus the

amount (if any) representing the premium on or discount from par value written off over the life of the security;

- (e) where the Company has entered into a forward contract for the sale or purchase of any currency, the currency required to be delivered by the Company shall be included in the assets of the Company at the price payable to the Company under such contract and there shall be included in the liabilities of the Company the cost of purchasing as advised to the Company for the relevant Valuation Date the contract quantity of that currency on the date for performance of the contract;
- (f) the Directors may, at their absolute discretion, permit some other method of valuation to be used if they consider that such valuation better reflects the value;
- (g) if no price quotations are available as above provided, the value thereof shall be determined in such manner as the Directors shall determine;
- (h) in converting the value of investments any value (whether of a security or cash), otherwise than in the base currency of any Fund shall be converted into such base currency at the rate (whether official or otherwise) which the Directors shall in their absolute discretion deem appropriate to the circumstances having regard inter alia to any premium or discount which they consider may be relevant and to the cost of exchange; and
- (i) if any investment is realised or contracted to be realised at a known value, the net proceeds of such realisation shall be taken into account in lieu of any other methods of determining the value of the investment concerned, and if any investment is acquired or contracted to be acquired at a known value for a consideration payable out of the assets of the Company, such investment shall be included among the assets of the Company and valued in accordance with the foregoing provisions in lieu of the cost of acquisition.

In calculating the Net Asset Value, the Administrator, Registrar and Transfer Agent and its affiliates shall not be liable for any loss suffered by the Company by reason of any error in the calculation of the Net Asset Value resulting from any inaccuracy in the information provided by any pricing service. The Administrator, Registrar and Transfer Agent or its affiliates shall use reasonable endeavours to verify any pricing information supplied by the Manager or any connected person thereof (including a connected person who is a broker, market maker or other intermediary). However, in certain circumstances it may not be possible or practicable for the Administrator, Registrar and Transfer Agent to verify such information and, in such circumstances, the Administrator, Registrar and Transfer Agent shall not be liable for any loss suffered by the Company by reason of any error in the calculation of the Net Asset Value resulting from any inaccuracy in the information provided by the Manager or its delegates or estimates from Managers or Administrators of underlying funds. In circumstances where the Administrator, Registrar and Transfer Agent is directed by the Manager or its delegates to use particular pricing services, brokers, market makers or other intermediaries, the Administrator, Registrar and Transfer Agent shall not be liable for

any loss suffered by the Company by reason of any error in the calculation of the Net Asset Value resulting from any inaccuracy in the information provided by such pricing services, brokers, market makers or other intermediaries or estimates from Managers or Administrators of underlying funds not appointed or selected by the Administrator, Registrar and Transfer Agent.

In connection with the determination of the Net Asset Value of Shares, the Directors may consult with and are entitled to rely upon the advice of the Investment Manager or the Administrator in particular in relation to allocation of expenses to any one Fund or all of the Funds.

### **Suspension of Net Asset Value:**

The Directors may declare a suspension of the determination of the Net Asset Value of the Company or of any class of Participating Shares for the whole or any part of any period during which:

- (a) any Stock Exchange or over-the-counter market on which any significant portion of the investments of the Company or of such class of Participating Shares are listed, quoted, traded or dealt in is closed (other than customary weekend and holiday closings) or trading on such Stock Exchange or market is suspended or restricted; or
- (b) when circumstances exist as a result of which, in the opinion of the Directors, it is not reasonably practical for the Company to dispose of the investments or the investments of such class or as a result of which any such disposal would be materially prejudicial to Shareholders or holders of Participating Shares of such class; or
- (c) when a breakdown occurs (including communication disruptions) in any of the means normally employed in ascertaining the value of the investments or the investments of such class; or
- (d) when for any other reason the value of any of the investments or other assets of the Company or of such class of Participating Shares cannot reasonably or fairly be ascertained;
- (e) any transfer of funds involved in the realisation or acquisition of the investments or the investments of such class or payments due on redemptions of the relevant Participating Shares cannot in the opinion of the Directors be effected at normal rates of exchange;
- (f) a notice of general meeting of shareholders of the Company has been issued at which the winding up of the Company is to be considered.

Such suspension shall take effect at such times as the Directors shall specify but not later than the close of business on the Business Day next following the declaration and thereafter there shall be no determination of the Net Asset Value of the relevant

Participating Shares (and, accordingly no redemption of, or subscription for the relevant Participating Shares) until the Directors shall declare the suspension at an end, except that the suspension shall terminate in any event on the day following the first Business Day on which:

- (a) the condition giving rise to the suspension shall have ceased to exist; and
- (b) no other condition under which suspension is authorised under this paragraph shall exist.

Each declaration by the Directors pursuant to this paragraph shall be consistent with such official rules and regulations, if any, relating to the subject matter thereof as shall have been promulgated by any authority having jurisdiction over the Company and as shall be in effect at the time. To the extent not inconsistent with such official rules and regulations the determination of the Directors shall be conclusive. Whenever the Directors shall declare a suspension of the determination of the Net Asset Value of the Company or of any class of Participating Shares under the provisions of the Articles, then as soon as may be practicable after any such declaration the Directors shall cause a notice (in such manner as they may determine) to be given to the holders of the relevant Participating Shares stating that such declaration has been made, and at the end of any period of suspension the Directors shall cause another notice to be given to the holders of Participating Shares stating that the period of suspension has ended. Notice for the purpose of the Articles will be sufficient if published in newspapers normally used by the Company to publish its Net Asset Value.

## **MATERIAL CONTRACTS**

The following contracts, which are or may be material, have been entered into by the Company:

- (a) A Management Agreement between the Company and the Manager;
- (b) A Distribution Agreement between the Company and the Manager;
- (c) An Investment Advisory Agreement between each of the Investment Advisers, the Company, and the Manager;
- (d) An Administration, Registrar and Transfer Agency Agreement between the Company and Olympia Capital (Cayman) Limited.

## **INDEMNITIES**

The Articles provide for the Directors, officers and auditors and any trustee acting in relation to the Company to be indemnified under certain circumstances except in relation to willful neglect or fraud.

The Management Agreement, the Distribution Agreement, the Investment Advisory Agreements, the Administration, Registrar and Transfer Agency Agreement provide for indemnities to be payable by the Company except in the case of fraud, bad faith, willful default or negligence on the part of the relevant parties.

### CAYMAN ISLANDS REGULATORY MATTERS

The Company falls within the definition of a “mutual fund” in terms of the Mutual Funds Law (2003 Revision) of the Cayman Islands (the “**Law**”) and accordingly is registered as a mutual fund pursuant to the Mutual Funds Law. The Company employs a licensed mutual fund administrator, Olympia Capital (Cayman) Limited, to maintain its principal office and registered office in the Cayman Islands.

As a regulated mutual fund, the Company is subject to the supervision of the Cayman Islands Monetary Authority (the “Authority”). Under the Law, the Company must file this Offering Memorandum and certain additional prescribed particulars (and any material changes in such details) together with the audited accounts with the Authority and pay a recurring annual fee of C\$2,500 (approximately US\$3,048.78).

The Authority may at any time instruct the Company to have the accounts of the Company audited and to submit them to the Authority within such time as the Authority specifies. In addition the Authority may ask the Directors to give the Authority such information or such explanation in respect of the Company as the Authority may reasonably require in order to enable it to carry out its duty under the Law.

The Directors must give the Authority access to or provide at any reasonable time all records relating to the Company and the Authority may copy or take an extract of all records it is given access to. Failure to comply with these requests by the Authority may result in substantial fines on the part of the Directors and may result in the Authority applying to the court to have the Company wound up.

The Authority may take certain actions if it is satisfied that a regulated mutual fund is or is likely to become unable to meet its obligations as they fall due or is carrying on or is attempting to carry on business or is winding up its business voluntarily in a manner that is prejudicial to its investors or creditors. The powers of the Authority include inter alia the power to require the substitution of directors, to appoint a person to advise the Company on the proper conduct of their affairs or to appoint a person to assume control of the affairs of the Company. There are other remedies available to the Authority including the ability to apply to court for approval of other actions.

**THE PRIVATE CLIENT PORTFOLIO  
DIRECTORY**

**REGISTERED OFFICE**

C/o Olympia Capital (Cayman) Limited  
Caledonian Bank, Caledonian House,  
69 Dr. Roy's Drive,  
P. O. Box 1043 GT,  
George Town, Grand Cayman, Cayman Islands

**SECRETARY**

Olympia Capital (Cayman) Limited  
C/o Williams House 3<sup>rd</sup> Floor  
20 Reid Street  
Hamilton HM12  
Bermuda

**MANAGER AND PROMOTER**

Private Client Portfolio  
Investment Management Limited  
Trident Chambers  
P.O Box 146 Road Town  
Tortola  
B.V.I.

**ADMINISTRATOR, REGISTRAR  
AND TRANSFER AGENT**

by its Agent  
Olympia Capital (Ireland) Limited,  
6<sup>th</sup> Floor, Block 3,  
Harcourt Centre,  
Harcourt Road,  
Dublin 2,  
Ireland

**INVESTMENT ADVISORS**

**North America Fund, Emerging Markets  
and Europe Fund**

Forsyth Partners Limited  
18 Barclay Road  
Croydon  
CR0 1JN  
United Kingdom

**Pacific Fund**

Quilter & Co Limited  
25 Cabot Square, Canary Wharf  
London E14 4QA  
United Kingdom

**Alternative Fund and Aurora Defined Benefits Funds**

Private Client Portfolio Investment Management Limited  
Trident Chambers  
P O Box 146 Road Town, Tortola,  
B.V.I.

**Bond and Currency Fund**

PIMCO  
103 Wigmore Street  
London  
W1U 1QS

**LEGAL ADVISORS**

Quin & Hampson  
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Third Floor, Harbour Centre  
George Town  
Grand Cayman  
Cayman Islands, BWI.

**AUDITORS**

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P.O. Box 258GT  
Strathvale House  
Grand Cayman  
Cayman Islands BWI