

THE SCOTTISH CAPITAL PROTECTED FUND plc

SCHEME PARTICULARS

14th September 2011

THE SCOTTISH CAPITAL PROTECTED FUND plc
(the “Fund”)

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THIS DOCUMENT IS IMPORTANT

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

This document constitutes Scheme Particulars prepared in accordance with the Financial Supervision (International Schemes) (Advertising and Scheme Particulars) Regulations 1995 (and complying with the requirements of the Schedule thereto) of the Isle of Man.

The Fund is a full international scheme and complies with the requirements of the Collective Investment Schemes Act 2008 and the Financial Services Act 2008 of the Isle of Man.

The value of participating redeemable preference shares of the Fund (“Shares”) and the income produced by them can fall as well as rise. Investors may not get back the value of their original investment.

The Manager and Custodian of The Scottish Capital Protected Fund plc are both Authorised Persons for the purposes Financial Services Act 2008 of the Isle of Man. In granting permission for the Manager to manage the Fund, the Isle of Man Financial Supervision Commission has reviewed the constitutional documents, however, the Commission has not commented on, nor is it required to comment on, the investment objectives or strategy of the Fund or its suitability for any investor or class of investor. The Fund is not subject to the benefit of any compensation arrangements.

These Scheme Particulars are dated 14th September 2011.

MANAGEMENT AND ADMINISTRATION

Manager	Scottish International Fund Managers Limited Royal London House Isle of Man Business Park Cooil Road Douglas Isle of Man IM2 2SP Telephone: 01624 611077 Facsimile: 01624 611088 Int'l Code: +44 1624
Custodian and Banker	BNP Paribas Trust Company (IOM) Limited Merchant's House 24 North Quay Douglas Isle of Man IM1 4LE
Auditors	PricewaterhouseCoopers LLC Sixty Circular Road Douglas Isle of Man IM1 1SA

BOARD OF DIRECTORS OF THE FUND

Mark Philip Beverley Kennett, 'Greeba', 15, Silverburn Drive, Ballasalla, Isle of Man, IM9 2EE

Colin Shopland, 8 Belgravia, Governors Hill, Douglas, Isle of Man, IM2 7DL

Natalie Marjorie Dutton, 11 Royal Avenue West, Onchan, Isle of Man, IM3 IHB

Peter Nicholas Horsthuis, Old Ford House, St Johns, Isle of Man, IM4 3AQ

John Anthony Melia, Pine Lodge, Ballanard Road, Douglas, Isle of Man IM2 5PR.

SECRETARY

Michael Vincent Crellin, 4 Hutchinson Villas, Douglas, Isle of Man, IM2 4HR

THE SCOTTISH CAPITAL PROTECTED FUND plc

SCHEME PARTICULARS

A. THE FUND

The Scottish Capital Protected Fund plc is a public company incorporated with limited liability in the Isle of Man number 90020C on 25th February 1998 with unlimited duration under the provisions of the Companies Acts 1931-1993 of the Isle of Man. The Fund is not and need not be an authorised person for the purposes of the Isle of Man Collective Investment Schemes Act 2008.

The Fund has its registered office and principal place of business at Royal London House, Isle of Man Business Park, Cooil Road, Douglas, Isle of Man IM2 2SP

The directors of the Fund (“Directors”) are:

Natalie Marjorie Dutton, Head of Marketing for Royal London 360°.

Peter Nicholas Horsthuis, Chartered Accountant and a Director of various other companies.

Mark Philip Beverley Kennett, Head of Investment Strategy for Royal London 360°.

Colin Shopland, Head of Group Compliance & Legal for Royal London 360°.

John Anthony Melia, an Advocate and a Director of various other companies.

Shares are available in various investment classes (each, a “Sub-Fund”). Initial offers in respect of certain Sub-Funds took place in March 1998, June 1998, August 1999, September 1999, March 2000, June 2000, December 2000 and December 2002.

Except during any initial offer (and as otherwise set out herein), Shares in each Sub-Fund will be available for purchase or redemption on any Dealing Day of the relevant Sub-Fund (as described in Section L) at prices calculated by reference to the net asset value of the relevant Sub-Fund. The Sub-Funds are described in Section H below. The Manager may in its discretion add further Sub-Funds in the future without the approval of holders of Shares.

The remainder of this document gives full details of the Fund and the investment objectives and policies of each Sub-Fund. Application Forms can be obtained from the Manager at the address detailed above.

B. THE MANAGER

Scottish International Fund Managers Limited (the “Manager”) is a private limited company incorporated in the Isle of Man on 20th January 1998 with number 89411C. The Manager is owned by Royal London 360 Insurance Company Limited, a company incorporated in the Isle of Man through the coming together of Scottish Life International Insurance Company Limited and Scottish Provident International Life Assurance Limited (which are collectively marketed under the brand ‘Royal London 360°’ since January 2009).

Headquartered in the Isle of Man, one of the world’s leading offshore financial jurisdictions, Royal London 360° has combined industry experience of over 30 years, and funds under management in excess of £2 billion. Royal London 360° is the international division of the Royal London Group. Royal London is the largest mutual life and pensions company in the UK with Group funds under management of £43.7 billion. Group businesses serve over 3 million customers and employ 2,630 people. (all figures as at 30 June 2011).

The registered office and principal place of business of the Manager in the Island is at Royal London House, Isle of Man Business Park, Cooil Road, Douglas, Isle of Man IM2 2SP. The Manager is an authorised person for the purposes of the Financial Services Act 2008 (“the CIS Act”) by virtue of holding a licence issued under the Isle of Man Investment Business Acts 1991 - 1993. The directors of the Manager are John Vincent Deane (Chairman of Royal London 360°), David Quinnell Kneeshaw

(Chief Executive Officer of Royal London 360°), Michael Vincent Crellin (Finance & Commercial Director of Royal London 360°), Peter Nicholas Horsthuis (a Chartered Accountant) and John Anthony Melia (an Isle of Man Advocate).

Under the terms of the Management Agreement (see Section Q) the Manager has responsibility (subject to the overall supervision of the Directors) for the management and administration of the Fund.

C. THE FIDUCIARY CUSTODIAN

The fund has appointed BNP Paribas Trust Company (IOM) Limited as the “Fiduciary Custodian” of the Fund and its associated company BNP Paribas Securities Services S.C.A., Isle of Man Branch as its banker and delegated sub custodian. The Fiduciary Custodian is a private limited company incorporated in the Isle of Man on 1 May 1973 (as Williams & Glyn’s Bank (I.O.M.) Limited) and whose registered office and principal place of business is at Merchant’s House, 24 North Quay, Douglas, Isle of Man, IM1 4LE. It has an authorised share capital of £5,000,000, of which £1,000,000 is fully paid. The Fiduciary Custodian is a wholly owned subsidiary of BNP Paribas Securities Services (Holdings) Limited (a company incorporated in Jersey) whose ultimate parent company is wholly owned by BNP Paribas S.A., a company incorporated in France.

The principal business activity of the Fiduciary Custodian is the provision of trustee and Fiduciary Custodian services and it is responsible for safeguarding the interests of investors at all times and for ensuring, inter alia, that the Scheme is managed in accordance with its constitutional documents and these Scheme Particulars. The Fiduciary Custodian is licensed by the Isle of Man Financial Supervision Commission for investment business and the provision of services to collective investment schemes. The Fiduciary Custodian is an authorised person for the purposes of the Isle of Man Collective Investment Schemes Act 2008, by virtue of holding a class 3 financial services licence issued under Section 7 of the Financial Services Act 2008 of the Isle of Man which authorises the Fiduciary Custodian to act as fiduciary Custodian of the Scheme.

Pursuant to an agreement between the Fund and the Custodian (the “Custodian Agreement”), the Custodian will be responsible for all assets of the Fund other than assets deposited as margin with brokers. Such assets will be held by the Custodian in a separate client account and will be separately designated in the books of the Custodian. Assets deposited as margin need not be segregated and may become available to the creditors of brokers.

The Fund's assets will be held on its behalf either directly by or in the name of the Custodian or sub custodian(s), nominee(s), agent(s) or delegate(s) (together the “Sub-Custodians”) of the Custodian. Sub-custodians may be appointed by the Custodian, provided that the Custodian shall exercise reasonable skill, care and diligence in the selection of a suitable Sub-Custodian and shall be responsible to the Fund for the duration of the special custody agreement for satisfying itself as to the ongoing suitability of the Sub-Custodians to provide custodial services to the Fund. The Custodian will also maintain an appropriate level of supervision over the Sub-Custodians and will make appropriate inquiries periodically to confirm that the obligations of the Sub-Custodians continue to be competently discharged. Any Sub-Custodian appointed will be paid normal commercial rates. The Custodian shall not be liable in the event of the loss of any assets held by a Sub-Custodian provided that such Sub-Custodian exercised reasonable care and acted without gross negligence or wilful misconduct.

D. INVESTMENT MANAGEMENT

The Manager will undertake the investment and reinvestment of the assets of each Sub-Fund in accordance with the relevant investment objective and policies described in this document. The Manager will utilise its own investment management resources but may, in addition, use and receive dealing and other services from other companies in the Royal London group of companies and third parties as it sees fit from time to time.

E. THE REGISTRAR

The functions of registrar will be performed by or on behalf of the Manager.

F. THE AUDITORS

The Auditors of the Fund are PricewaterhouseCoopers LLC, Sixty Circular Road, Douglas, Isle of Man IM1 1AZ

G. THE REGISTER OF SHAREHOLDERS

The register of holders of shares in the Fund is available for inspection at the office of the Manager.

H. THE CONSTITUTION, INVESTMENT OBJECTIVES, POWERS, RESTRICTIONS AND RISKS OF THE FUND

H.1 Constitution

H. 1.1 The Fund is an umbrella fund constituting a full international scheme for the purposes of the Isle of Man Collective Investment Schemes Act 2008 (“the CIS Act”).

H. 1.2 The Fund has an authorised share capital of £1,000,100 divided into 100 Management Shares (“Management Shares”) of £1.00 each, all of which have been subscribed in full in cash by or on behalf of the Manager and 1,000,000,000 Unclassified Shares (“Unclassified Shares”) of £0.001 each, available for issue as Shares in any Sub-Fund. Alternatively, Unclassified Shares may be issued as nominal shares (“Nominal Shares”) (See Section I).

H.2.1 Objectives

Each type of the following Sub-Funds is available in Sterling, US Dollars or Euros and, with the exception of the Protected Cash Bonus and Protected Cash Feeder Sub-Funds, separate Sub-Funds have been established for different levels of capital protection as described below. Accordingly, there are one hundred and eight different Sub-Funds available.

The objectives of the different Sub-Funds are as follows:

Protected Cash Bonus Sub-Funds	The Protected Cash Bonus Sub-Funds are designed to improve on the short term deposit rates generally offered by leading international banks whilst providing 100% capital protection.
Protected Cash Feeder Sub-Funds	The Protected Cash Feeder Sub-Funds are restricted to new investors who are to switch into a quarterly Protected Sub-Fund and are designed to improve on the short term deposit rates generally offered by leading international banks whilst providing 100% capital protection.
Protected Deposit Bonus Sub-Funds	The Protected Deposit Bonus Sub-Funds are designed to provide returns which are linked to the performance of both the FTSE 100 and S&P 500 indices whilst allowing an investor to determine his level of capital protection (95%, 97.5% or 100%) each quarter. The aim of the Sub-Funds is to out-perform similarly risk graded international managed funds.
Protected UK Index Sub-Funds	The Protected UK Index Sub-Funds are designed to provide returns which are linked to the performance of the FTSE 100 index whilst allowing an investor to determine his level of capital protection (95%, 97.5% or 100%). The Sub-Funds aim to out-perform similarly risk-graded UK managed funds.
Protected US Index Sub-Funds	The Protected US Index Sub-Funds are designed to provide returns which are linked to the performance of the S&P 500 index whilst allowing an investor to determine his level of capital protection (95%, 97.5% or 100%). The Sub-Funds aim to out-perform similarly risk-graded US managed funds.

The Protected Japan Index Sub-Funds are designed to provide

Protected Japan Index Sub-Funds	returns which are linked to the performance of the Nikkei 225 index whilst allowing an investor to determine his level of capital protection (95%, 97.5% or 100%). The Sub-Funds aim to out-perform similarly risk-graded Japan managed funds.
Protected Europe Index Sub-Funds	The Protected Europe Index Sub-Funds are designed to provide returns which are linked to the performance of the EURO STOXX 50 index whilst allowing an investor to determine his level of capital protection (95%, 97.5% or 100%). The Sub-Funds aim to out-perform similarly risk-graded European managed funds.
Protected Multi Index Sub-Funds	The Protected Multi Index Sub-Funds are designed to provide returns which are linked to the performance of the FTSE 100, S&P 500, EURO STOXX 50 and Nikkei 225, whilst allowing an investor to determine his level of capital protection (95%, 97.5% or 100%). The Sub-Funds aim to out-perform similarly risk-graded managed funds.
Protected.com Sub-Funds	The protected.com Sub-Funds are designed to provide returns which are linked to the performance of the NASDAQ 100 index whilst allowing an investor to determine his level of capital protection (95% or 100%). The Sub-Funds aim to out-perform similarly risk-graded NASDAQ-100 managed funds.
Protected UK With Bonus Sub-Funds	The Protected UK With Bonus Sub-Funds are designed to provide returns which are linked to the performance of the FTSE 100 index whilst allowing an investor to determine his level of capital protection (95% or 100%). The aim of the Sub-Funds is to outperform similarly risk graded UK managed funds in times of low market growth.
Protected US With Bonus Sub-Funds	The Protected US With Bonus Sub-Funds are designed to provide returns which are linked to the performance of the S&P 500 index whilst allowing an investor to determine his level of capital protection (95% or 100%). The aim of the Sub-Funds is to outperform similarly risk graded US managed funds in times of low market growth.
Protected Japan With Bonus Sub-Funds	The Protected Japan With Bonus Sub-Funds are designed to provide returns which are linked to the performance of the Nikkei 225 index whilst allowing an investor to determine his level of capital protection (95% or 100%). The aim of the Sub-Funds is to outperform similarly risk graded Japanese managed funds in times of low market growth.
Protected Europe With Bonus Sub-Funds	The Protected Europe With Bonus Sub-Funds are designed to provide returns which are linked to the performance of the EURO STOXX 50 index whilst allowing an investor to determine his level of capital protection (95% or 100%). The aim of the Sub-Funds is to outperform similarly risk graded European managed funds in times of low market growth.
Protected Multi Index With Bonus Sub-Funds	The Protected Multi Index With Bonus Sub-Funds are designed to provide returns which are linked to the performance of the FTSE 100, S&P 500, EURO STOXX 50 and Nikkei 225 indices, whilst allowing an investor to determine his level of capital protection (95% or 100%). The aim of the Sub-Funds is to outperform similarly risk graded international managed funds in times of low market growth.

Protected.com With Bonus Sub-Funds	The protected.com With Bonus Sub-Funds are designed to provide returns which are linked to the performance of the NASDAQ 100 index whilst allowing an investor to determine his level of capital protection (95% or 100%). The aim of the Sub-Funds is to outperform similarly risk graded NASDAQ 100 managed funds in times of low market growth.
Protected Worldwide With Bonus Sub-Funds	The Protected Worldwide With Bonus Sub-Funds are designed to provide returns which are equally apportioned to the performance of the FTSE 100, S&P 500, EURO STOXX 50, Nikkei 225 and NASDAQ 100 indices, whilst allowing an investor to determine his level of capital protection (95% or 100%). The aim of the Sub-Funds is to outperform similarly risk graded international managed funds in times of low market growth.

Other than the Protected Cash Bonus Sub-Funds, Protected Cash Feeder Sub-Funds, the protected.com Sub-Funds and the With Bonus Sub-Funds, the Sub-Funds are designed to operate on a quarterly basis with three levels of capital protection: 95%, 97.5% and 100%. The protected.com Sub-Funds and the With Bonus Sub-Funds are designed to operate on a quarterly basis with two levels of capital protection: 95% and 100%. The assets of these Sub-Funds are invested with the objective of ensuring that, no matter what the performance of the relevant stock market indices over the quarter, and subject to the ability of the banks and financial institutions (with which the assets are invested) to meet their obligations, the value of Shares at the end of the quarter will be at least equal to their capital protected level. All of the Sub-Funds are designed to provide investment returns by way of capital appreciation as opposed to income distribution.

All assets held within each Sub-Fund will be denominated in the currency of that Sub-Fund so that the return on the Sub-Fund over any quarter will not be affected by currency fluctuations.

The FTSE 100 index is an index of the share values of one hundred of Britain's largest companies as calculated by FTSE International Limited in conjunction with the Institute of Actuaries.

The S&P 500 index is an index of the share values of five hundred of the United States' largest companies as calculated by the Standard and Poor's Corporation.

The Nikkei 225 index is an index of the share values of two hundred and twenty five of Japan's largest companies as calculated by the Tokyo Stock Exchange.

The EURO STOXX 50 index is an index of the share values of the fifty largest, most liquid and most sector-representative companies in European Monetary Union member countries as calculated by STOXX Limited.

The NASDAQ 100 index represents the largest and most active non-financial domestic (US) and international issues listed on The Nasdaq Stock Market® based on market capitalization as calculated by The Nasdaq Stock Market, Inc.

The Directors do not at present intend to change the investment objectives and policies of the Sub-Funds for at least three years. However, at least 90 days' prior notice will, in any event, be given to shareholders of any proposal to change the objectives and policies of existing Sub-Funds.

H.2.2 Investment Powers and Policies

The Protected Cash Bonus Sub-Funds will be invested exclusively in fixed or variable rate debt instruments, zero coupon bonds, repurchase agreements, deposits and other securities considered acceptable by the Directors ("Prime Investments"). The Directors and the Manager will select the investments which they consider may best achieve the Protected Cash Bonus Sub-Funds' investment objective. In accordance with the objective outlined above the Manager aims to achieve a return in excess of that otherwise available in the short-term fixed interest market by optimising maturity dates on deposits, constructing optimal portfolio mixes and by taking advantage of the higher wholesale rates available to an investor of its size and calibre.

The Protected Cash Feeder Sub-Funds will be invested exclusively in Prime Investments. The Directors and the Manager will select the investments which they consider may best achieve the Protected Cash Feeder Sub-Funds' investment objective. In accordance with the objective outlined above the Manager aims to achieve a return in excess of that otherwise available in the short-term fixed interest market by optimising maturity dates on deposits, constructing optimal portfolio mixes and by taking advantage of the higher wholesale rates available to an investor of its size and calibre.

The Protected Deposit Bonus Sub-Funds will have the majority of their assets invested in Prime Investments designed to provide the level of capital protection relevant to the particular Protected Deposit Bonus Sub-Fund; the yield from such Prime Investments is intended to ensure that at the end of each quarter an investor will maintain at least 95%, 97.5% or 100% (as the case may be) of the amount of the investment at the beginning of each quarter. The remaining assets of each Protected Deposit Bonus Sub-Fund will be invested in selected derivative instruments relating to the FTSE 100 and S&P 500 indices. At the start of each quarter a bonus rate together with the index performance criteria for the bonus to be earned that quarter will be declared. The index performance criteria will relate to the performance of both indices either over the whole quarter or each of the three separate months in the quarter. The amount of the bonus will depend equally on the performance of the two indices. The actual amount of bonus declared will be added to the capital protected amount at the end of the quarter if the performance criteria is achieved. If no bonus is paid then the value of Shares in the Sub-Fund at the end of the quarter will be the capital protected amount. The bonus rate will vary between Sub-Funds, being higher for those Sub-Funds with a lower level of capital protection. The bonus rate will vary between Sub-Funds denominated in different currencies. Both the bonus rate and the index performance criteria, upon which payment of the bonus depends, will vary from quarter to quarter.

The Protected UK Index Sub-Funds will have the majority of their assets invested in Prime Investments designed to provide the level of capital protection relevant to the particular Sub-Fund; the yield from such Prime Investments is intended to ensure that at the end of each quarter an investor will maintain at least 95%, 97.5% or 100% (as the case may be) of the amount of his investment at the beginning of the quarter. The remaining assets of each Sub-Fund will be invested in selected derivative instruments relating to the FTSE 100 index. At the start of each quarter a profit rate will be declared which will define the extent to which the Sub-Fund will participate in any growth in the index over the quarter. The value of Shares in the Sub-Fund at the end of the quarter will be equal to the capital protected amount plus the profit rate multiplied by the growth in the index over the quarter (on the capital protected amount). The growth in the index used for the purpose of this calculation may be subject to a maximum level (see comment on 'capped' derivatives below). If the index does not rise over the quarter then the value of Shares in the Sub-Fund at the end of the quarter will be the capital protected amount. The profit rate will vary between Sub-Funds, being higher for those Sub-Funds with a lower level of capital protection. The profit rate will vary between Sub-Funds denominated in different currencies and from quarter to quarter.

The Protected US Index Sub-Funds will have the majority of their assets invested in Prime Investments designed to provide the level of capital protection relevant to the particular Sub-Fund; the yield from such Prime Investments is intended to ensure that at the end of each quarter an investor will maintain at least 95%, 97.5% or 100% (as the case may be) of the amount of his investment at the beginning of the quarter. The remaining assets of each Sub-Fund will be invested in selected derivative instruments relating to the S & P 500 index. At the start of each quarter a profit rate will be declared which will define the extent to which the Sub-Fund will participate in any growth in the index over the quarter. The value of Shares in the Sub-Fund at the end of the quarter will be equal to the capital protected amount plus the profit rate multiplied by the growth in the index over the quarter (on the capital protected amount). The growth in the index used for the purpose of this calculation may be subject to a maximum level (see comment on 'capped' derivatives below). If the index does not rise over the quarter then the value of Shares in the Sub-Fund at the end of the quarter will be the capital protected amount. The profit rate will vary between Sub-Funds, being higher for those Sub-Funds with a lower level of capital protection. The profit rate will vary between Sub-Funds, being higher for those Sub-Funds with a lower level of capital protection. The profit rate will vary between Sub-Funds denominated in different currencies and from quarter to quarter.

The Protected Japan Index Sub-Funds will have the majority of their assets invested in Prime Investments designed to provide the level of capital protection relevant to the particular Sub-Fund; the yield from such Prime Investments is intended to ensure that at the end of each quarter an investor will maintain at least 95%, 97.5% or 100% (as the case may be) of the amount of his investment at the beginning of the quarter. The remaining assets of each Sub-Fund will be invested in selected derivative instruments relating to the Nikkei 225 index. At the start of each quarter a profit rate will be declared which will define the extent to which the Sub-Fund will participate in any growth in the index over the quarter. The value of Shares in the Sub-Fund at the end of the quarter will be equal to the capital protected amount plus the profit rate multiplied by the growth in the index over the quarter (on the capital protected amount). The growth in the index used for the purpose of this calculation may be subject to a maximum level (see comment on 'capped' derivatives below). If the index does not rise over the quarter then the value of Shares in the Sub-Fund at the end of the quarter will be the capital protected amount. The profit rate will vary between Sub-Funds, being higher for those Sub-Funds with a lower level of capital protection. The profit rate will vary between Sub-Funds denominated in different currencies and from quarter to quarter.

The Protected Europe Index Sub-Funds will have the majority of their assets invested in Prime Investments designed to provide the level of capital protection relevant to the particular Sub-Fund; the yield from such Prime Investments is intended to ensure that at the end of each quarter an investor will maintain at least 95%, 97.5% or 100% (as the case may be) of the amount of his investment at the beginning of the quarter. The remaining assets of each Sub-Fund will be invested in selected derivative instruments relating to the EURO STOXX 50 index. At the start of each quarter a profit rate will be declared which will define the extent to which the Sub-Fund will participate in any growth in the index over the quarter. The value of Shares in the Sub-Fund at the end of the quarter will be equal to the capital protected amount plus the profit rate multiplied by the growth in the index over the quarter (on the capital protected amount). The growth in the index used for the purpose of this calculation may be subject to a maximum level (see comment on 'capped' derivatives below). If the index does not rise over the quarter then the value of Shares in the Sub-Fund at the end of the quarter will be the capital protected amount. The profit rate will vary between Sub-Funds, being higher for those Sub-Funds with a lower level of capital protection. The profit rate will vary between Sub-Funds denominated in different currencies and from quarter to quarter.

The Protected Multi Index Sub-Funds will have the majority of their assets invested in Prime Investments designed to provide the level of capital protection relevant to the particular Sub-Fund; the yield from such Prime Investments is intended to ensure that at the end of each quarter an investor will maintain at least 95%, 97.5% or 100% (as the case may be) of the amount of his investment at the beginning of the quarter. The remaining assets of each Sub-Fund will be invested in selected derivative instruments relating to the FTSE 100, EURO STOXX 50, S&P 500 and Nikkei 225 indices in managed proportions as decided by the Manager. At the start of each quarter profit rates will be declared for each index which will define the extent to which the Sub-Fund will participate in any growth in each of those indices over the quarter. The value of Shares in the Sub-Fund at the end of the quarter will be equal to the capital protected amount plus a bonus calculated as the sum of the profit rate for each index multiplied by the growth in that index (on the capital protected amount). The growth in the indices used for the purpose of this calculation may be subject to a maximum level (see comment on 'capped' derivatives below). If none of the indices rise over the quarter then the value of Shares in the Sub-Fund at the end of the quarter will be the capital protected amount. The profit rates will vary between Sub-Funds, being higher for those Sub-Funds with a lower level of capital protection. The profit rates will vary between Sub-Funds denominated in different currencies and from quarter to quarter.

The protected.com Sub-Funds will have the majority of their assets invested in Prime Investments designed to provide the level of capital protection relevant to the particular Sub-Fund; the yield from such Prime Investments is intended to ensure that at the end of each quarter an investor will maintain at least either 95% or 100% (as the case may be) of the amount of his investment at the beginning of the quarter. The remaining assets of each Sub-Fund will be invested in selected derivative instruments relating to the NASDAQ 100 index. At the start of each quarter a profit rate will be declared which will define the extent to which the Sub-Fund will participate in any growth in the index over the quarter. The value of Shares in the Sub-Fund at the end of the quarter will be equal to the capital protected amount plus the profit rate multiplied by the growth in the index over the quarter (on the capital protected amount). The growth in the index used for the purpose of this calculation may be subject to a maximum level (see comment on 'capped' derivatives below). If the index does not rise over the quarter then the value of Shares in the Sub-Fund at the end of the quarter will be the capital protected amount. The profit rate will vary between Sub-Funds denominated in different currencies and from

quarter to quarter.

The Protected UK With Bonus Sub-Funds will have the majority of their assets invested in Prime Investments designed to provide the level of capital protection relevant to the particular Sub-Fund; the yield from such Prime Investments is intended to ensure that at the end of each quarter an investor will maintain at least either 95% or 100% (as the case may be) of the amount of his investment at the beginning of the quarter. The remaining assets of each Sub-Fund will be invested in selected derivative instruments relating to the FTSE 100 index. At the start of each quarter a bonus rate will be declared, which will be paid in full provided the index has not fallen over the quarter. The actual amount of bonus declared will be added to the capital protected amount at the end of the quarter if the index has not fallen. In the event of the market falling, a partial bonus will be paid provided the index has not fallen by more than 5% over the quarter. This partial bonus will be calculated pro-rata between the full bonus and 0 depending on the actual reduction in the index. If the index falls by more than 5% then no bonus will be paid in respect of either capital protection level and the value of Shares in the Sub-Fund at the end of the quarter will be the capital protected amount of either 95% or 100%. The bonus rate will vary between Sub-Funds denominated in different currencies and from quarter to quarter.

The Protected US With Bonus Sub-Funds will have the majority of their assets invested in Prime Investments designed to provide the level of capital protection relevant to the particular Sub-Fund; the yield from such Prime Investments is intended to ensure that at the end of each quarter an investor will maintain at least either 95% or 100% (as the case may be) of the amount of his investment at the beginning of the quarter. The remaining assets of each Sub-Fund will be invested in selected derivative instruments relating to the S&P 500 index. At the start of each quarter a bonus rate will be declared, which will be paid in full provided the index has not fallen over the quarter. The actual amount of bonus declared will be added to the capital protected amount at the end of the quarter if the index has not fallen. In the event of the market falling, a partial bonus will be paid provided the index has not fallen by more than 5% over the quarter. This partial bonus will be calculated pro-rata between the full bonus and 0 depending on the actual reduction in the index. If the index falls by more than 5% then no bonus will be paid in respect of either capital protection level and the value of Shares in the Sub-Fund at the end of the quarter will be the capital protected amount of either 95% or 100%. The bonus rate will vary between Sub-Funds denominated in different currencies and from quarter to quarter.

The Protected Japan With Bonus Sub-Funds will have the majority of their assets invested in Prime Investments designed to provide the level of capital protection relevant to the particular Sub-Fund; the yield from such Prime Investments is intended to ensure that at the end of each quarter an investor will maintain at least either 95% or 100% (as the case may be) of the amount of his investment at the beginning of the quarter. The remaining assets of each Sub-Fund will be invested in selected derivative instruments relating to the Nikkei 225 index. At the start of each quarter a bonus rate will be declared, which will be paid in full provided the index has not fallen over the quarter. The actual amount of bonus declared will be added to the capital protected amount at the end of the quarter if the index has not fallen. In the event of the market falling, a partial bonus provided the index has not fallen by more than 5% over the quarter. This partial bonus will be calculated pro-rata between the full bonus and 0 depending on the actual reduction in the index. If the index falls by more than 5% then no bonus will be paid in respect of either capital protection level and the value of Shares in the Sub-Fund at the end of the quarter will be the capital protected amount of either 95% or 100%. The bonus rate will vary between Sub-Funds denominated in different currencies and from quarter to quarter.

The Protected Europe With Bonus Sub-Funds will have the majority of their assets invested in Prime Investments designed to provide the level of capital protection relevant to the particular Sub-Fund; the yield from such Prime Investments is intended to ensure that at the end of each quarter an investor will maintain at least either 95% or 100% (as the case may be) of the amount of his investment at the beginning of the quarter. The remaining assets of each Sub-Fund will be invested in selected derivative instruments relating to the EURO STOXX 50 index. At the start of each quarter a bonus rate will be declared, which will be paid in full provided the index has not fallen over the quarter. The actual amount of bonus declared will be added to the capital protected amount at the end of the quarter if the index has not fallen. In the event of the market falling, a partial bonus will be paid provided the index has not fallen by more than 5% over the quarter. This partial bonus will be calculated pro-rata between the full bonus and 0 depending on the actual reduction in the index. If the index falls by more than 5% then no bonus will be paid in respect of either capital protection level and the value of Shares in the Sub-Fund at the end of the quarter will be the capital protected amount of either 95% or 100%. The bonus rate will vary between Sub-Funds denominated in different currencies and from quarter to quarter.

quarter.

The Protected Multi Index With Bonus Sub-Funds will have the majority of their assets invested in Prime Investments designed to provide the level of capital protection relevant to the particular Sub-Fund; the yield from such Prime Investments is intended to ensure that at the end of each quarter an investor will maintain at least either 95% or 100% (as the case may be) of the amount of his investment at the beginning of the quarter. The remaining assets of each Sub-Fund will be invested in selected derivative instruments relating to the FTSE 100, S&P 500, EURO STOXX 50 and the Nikkei 225 indices in proportions as decided by the Manager. At the start of each quarter a bonus rate for each index will be declared. A bonus will be paid in full in respect of each of the indices which has not fallen over the quarter. In the event that an index falls over the quarter, a partial bonus will be paid in respect of that index, as long as the fall in the index concerned is no more than 5% over the quarter. Such a partial bonus will be calculated pro-rata between the full bonus and 0, depending on the actual reduction in the index which has fallen. For each index that falls by more than 5% over the quarter, no bonus will be paid in respect of either capital protection level. The total of the full and partial bonuses declared on each index will be added to the capital protected amount at the end of the quarter. If all the indices fall by more than 5% then no bonus will be paid and the value of shares in the relevant Sub-Fund at the end of the quarter will be the capital protected amount of either 95% or 100%. The bonus rate will vary between Sub-Funds denominated in different currencies and from quarter to quarter.

The protected.com With Bonus Sub-Funds will have the majority of their assets invested in Prime Investments designed to provide the level of capital protection relevant to the particular Sub-Fund; the yield from such Prime Investments is intended to ensure that at the end of each quarter an investor will maintain at least either 95% or 100% (as the case may be) of the amount of his investment at the beginning of the quarter. The remaining assets of each Sub-Fund will be invested in selected derivative instruments relating to the NASDAQ 100 index. At the start of each quarter a bonus rate will be declared, which will be paid in full provided the relevant index has not fallen over the quarter. The actual amount of bonus declared will be added to the capital protected amount at the end of the quarter if the index has not fallen. In the event of the market falling a partial bonus will be paid provided the index has not fallen by more than 5% over the quarter. This partial bonus will be calculated pro-rata between the full bonus and 0 depending on the actual reduction in the index. If the index falls by more than 5% then no bonus will be paid in respect of either capital protection level and the value of Shares in the Sub-Fund at the end of the quarter will be the capital protected amount of either 95% or 100%. The bonus rate will vary between Sub-Funds denominated in different currencies and from quarter to quarter.

The Protected Worldwide With Bonus Sub-Funds will have the majority of their assets invested in Prime Investments designed to provide the level of capital protection relevant to the particular Sub-Fund; the yield from such Prime Investments is intended to ensure that at the end of each quarter an investor will maintain at least either 95% or 100% (as the case may be) of the amount of his investment at the beginning of the quarter. The remaining assets of each Sub-Fund will be invested in selected derivative instruments relating to the FTSE 100, S&P 500, EURO STOXX 50, Nikkei 225 and NASDAQ 100 indices in equal proportions. At the start of each quarter a bonus rate for each index will be declared. A bonus will be paid in full in respect of each of the indices which has not fallen over the quarter. In the event that an index falls over the quarter, a partial bonus will be paid in respect of that index, as long as the fall in the index concerned is no more than 5% over the quarter. Such a partial bonus will be calculated pro-rata between the full bonus and zero, depending on the actual reduction in the index which has fallen. For each index that falls by more than 5% over the quarter, no bonus will be paid. The total of the full and partial bonuses declared on each index will be added to the capital protected amount at the end of the quarter. If all the indices fall by more than 5% then no bonus will be paid in respect of either capital protection level and the value of Shares in the relevant Sub-Fund at the end of the quarter will be the capital protected amount of either 95% or 100%. The bonus rate will vary between Sub-Funds denominated in different currencies and from quarter to quarter.

The derivative instruments referred to above will be contracts arranged with leading banks and financial institutions that are designed to provide that element of investment performance (relating to the relevant stock market indices) consistent with the investment objectives of the Sub-Fund. These contracts confer no obligations on any of the Sub-Funds and are purchased from financial institutions selected by the Manager and approved by the Directors.

Certain derivative instruments may be ‘capped’ from time to time if, in the opinion of the Manager, it is appropriate. ‘Capped’ derivative instruments limit the maximum bonus, which may be achieved if the index has risen substantially since the beginning of the quarter, however, there may also be a

corresponding cost advantage, which will be fully reflected in an improvement in the bonus rate relative to the bonus rate associated with an uncapped derivative.

Other than the Protected With Bonus Sub-Funds in the normal course of events the closing level of an index used for calculating the profit or bonus rate will be taken to be the average value of that index over a maximum of the five preceding index business days. With respect to the Protected With Bonus Sub-Funds, in the normal course of events the closing level of an index used for calculating the bonus rate will be struck on the last preceding index business day. A longer, or shorter, averaging period than these will be used if the Manager believes this to be in the best interests of shareholders. In determining investments for each of the Sub-Funds, the Manager intends to pursue a conservative and diversified credit-assessment policy and to this end the counterparties utilised by the Manager will be those which it considers to be of an appropriate internationally recognised credit quality, although no guarantee can be given that there will not be a counterparty default. On the advice of the Manager the Directors will approve those specific counterparties with which investments may be made and the approved list of counterparties will be regularly reviewed.

Whilst the assets of the Sub-Funds are generally intended to be kept fully invested as described above, the Manager may in its discretion determine not to invest in particular assets, such as derivative instruments, if it is feels that to do so might prejudice the interests of shareholders, as a result, amongst other things, of market disruption, volatility or events beyond its control. In these circumstances the Manager may at its discretion also decide to invest in alternative derivative instruments if it is considers that, within the parameters of the investment objectives detailed above, it would be in the best interests of shareholders.

From time to time the Manager may decide that it is appropriate, in its opinion, for the Fund to enter into collateral agreements with certain counterparties in order to limit the risk of counterparty default.

If an index ceases to be published, or if for any other reason its continued use in relation to a Sub-Fund ceases to be appropriate in the opinion of the Manager, the Manager may substitute the use of a different index resembling the original index as far as possible, substitute an alternative index or indices or take such other steps (including winding up the Sub-Fund) as it considers necessary or desirable in order to protect the interests of shareholders.

The Manager may decide to invest and manage all or any part of the assets of two or more Sub-Funds on a pooled basis where it is considered appropriate with regard to their respective investment objectives and policies. In such case, arrangements will be made by the Manager and the Custodian to ensure that the assets attributable to each such Sub-Fund can be properly ascertained and valued and generally that the respective interests of shareholders in the different Sub-Funds are appropriately protected.

H.2.3 Investment Restrictions

Save as set out herein, there are no restrictions on the investment powers of the Fund.

In order to diversify the credit risk within each Sub-Fund it is intended that, whenever practical in the opinion of the Directors, no more than 20% of the net asset value of any Sub-Fund (at the time of the investment) will be invested in assets with any one approved counterparty (except assets issued by the Governments of any G7 country)

It is intended that no more than 10% of the assets of any Sub-Fund at the time of the investment (other than the Protected Cash Bonus and Protected Cash Feeder Sub-Funds) may be invested in derivative instruments; no such investments may be made by the Protected Cash Bonus and Protected Cash Feeder Sub-Funds.

At least 90% of each Sub-Fund at the time of the investment (other than the Protected Cash Bonus and Protected Cash Feeder Sub-Funds) will be invested in Prime Investments. The Protected Cash Bonus and Protected Cash Feeder Sub-Funds will be invested exclusively in Prime Investments.

Legal or management control of underlying investments will not be taken.

Investments may be made in other collective investment schemes (including schemes managed by the Manager or any associate but investments will not be made in Isle of Man exempt international collective investment schemes, being private, essentially unregulated arrangements.

No investments may be made in real estate, commodities, gems or metals.

H.2.4 **Borrowing**

Borrowings may be made in relation to each Sub-Fund for the purpose of meeting redemption requests, but at no time will borrowings exceed 10% of the net asset value of the relevant Sub-Fund.

H.2.5 **Risk Factors**

Returns are not guaranteed and prospective shareholders should consider the risks attached to an investment in any Sub-Fund including, but not limited to, those indicated below. Consideration should be given to whether such risks are suitable for them and prospective shareholders should ensure that they fully understand the contents of these Scheme Particulars.

Certain of the Sub-Funds have the investment objective of providing defined levels of minimum return. Such Sub-Funds invest in assets purchased from some of the world's major banks or financial institutions and, in the event of any such counterparty being unable to meet its obligations, the defined levels of minimum return linked to assets purchased from that counterparty would be at risk. Neither the Manager, the Fund nor the Directors will stand surety for any bank or financial institution from which such assets are purchased if that bank or institution does not meet its obligations in respect of such assets.

An investment in the Fund is not suitable for persons who require regular income from their investments.

It should be remembered that the prices of Shares and any income from them may go down as well as up due to, inter alia, market fluctuations. This and the charging structure may be contributory factors to an investor receiving back less than the amount of the original investment on a redemption of Shares.

Investment decisions made or advice given by the Directors or the Manager will not always prove to have been successful or correct. The Fund is not intended to be a complete investment programme.

The Fund may invest in other collective investment schemes and similar funds which themselves may be subject to management and other charges, borrowing exposures and other investment risks.

The use of Prime Investments of three months' duration by certain of the Sub-Funds is designed to ensure that the specified level of capital security is always maintained for the following quarter. The price of these investments may vary from time to time, with changes in interest rates. As the bulk of such Sub-Funds' assets will be invested in these investments at the start of each quarter, such fluctuations in prices will affect the amount of money available to purchase derivative instruments. Additionally, the price of such derivative instruments themselves will be affected by changes in market conditions, including stock market volatility. These changes mean that the profit or bonus rates relevant to the Sub-Funds will vary from quarter to quarter.

In certain circumstances, the ability to redeem Shares may be restricted and compulsory redemptions of Shares may be made by the Directors, as described in Section L.6.

An investment is not protected against the effects of inflation.

The returns from the Sub-Funds other than the Protected Cash Bonus and Protected Cash Feeder Sub-Funds depend on movements in stock market indices. These indices measure capital performance only and include no allowance for dividend payments from the constituent stocks.

The Manager will utilise derivative instruments on trading indices. The effect of governmental intervention may be particularly significant at certain times in financial investment markets. Such intervention (as well as other factors) may cause all of these markets to move rapidly. The prices of all derivatives instruments may be highly volatile.

I. CHARACTERISTICS OF SHARES IN THE FUND

I.1 The types of Shares in the Fund and their characteristics are as follows:-

I.1.1 Shares

The Shares of a Sub-Fund confer the right to a proportionate share in the property of the Sub-Fund and to its dividend income, if any. Shares do not carry the right to vote at general meetings save where a Special Resolution is proposed to wind-up the Fund or the relevant Sub-Fund, in which event the consent of a separate class meeting of holders of Shares is also required. For the rights of holders of Shares on a winding-up, see Section P.

I.1.2 Management Shares

The Management Shares exist to comply with Isle of Man law, which requires that the Shares have a preference over another class of capital in order to be redeemable. Management Shares, which carry no right to dividend, can only be issued at par to the Manager or to any associate of the Manager. At general meetings of shareholders on a show of hands every holder of a Management Share who is present in person shall have one vote and on a poll every holder present in person or by proxy shall be entitled to one vote for every Management Share of which he is the holder. For the rights of holders of Management Shares on a winding up, see Section P.

I.1.3 Nominal Shares

Nominal Shares will only be issued at par to the Manager for the purpose of providing funds for the redemption of the nominal value of Shares. For the rights of holders on a winding-up, see Section P.

Nominal Shares may be converted into Shares, see Section P. Nominal Shares carry no other rights.

I.1.4 Unclassified Shares

These may be issued either as Shares of any Sub-Fund or as Nominal Shares.

I.2 Contract Notes

The Manager will send the investor an acknowledgement of his subscription when cleared funds are allocated to the relevant Protected Cash Feeder or Protected Cash Bonus Sub-Fund (see Sections L.2 and L.5 below). A quarterly statement will also be sent to each shareholder detailing transactions relevant to the shareholding (including, where relevant, details of switches between Sub-Funds, issues and redemptions of Shares). Share certificates will not be issued.

I.3 Issue of Shares

I.3.1 The Directors are authorised without limitation, but subject always to the availability of Shares, to allot and issue Shares of any Sub-Fund at any time without reserving preferential subscription rights to existing Shareholders.

I.3.2 Fractions of Shares will be issued.

I.3.3 The Fund shall register Shares jointly in the names of not more than four holders should they so require. In the case of joint holders, the vote of the senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of holders.

I.4 Qualified Holders

The Directors may determine whether or not any particular person or class of person should become or remain the holder of Shares should they be of the opinion that the holding of Shares by such person may be in breach of any governmental regulation or announcement or would otherwise render the Fund liable to taxation for which it would otherwise not be liable.

J. VALUATION OF PROPERTY

The valuation of the property of each Sub-Fund is determined by the Manager in the Isle of Man in accordance with the Fund's Articles of Association as at 11.00am on each Dealing Day of that Sub-Fund (as described in Section L) and on such other occasions as the Directors may determine and is equal to the value of all the assets of the Sub-Fund less all the liabilities attributable thereto.

Save as otherwise set out herein, assets of the Fund are valued as follows:-

Assets which are listed, quoted or dealt in on a stock exchange or market are (save as otherwise provided herein) valued at the latest available mid-market price on the sole or, in the opinion of the Directors, the principal stock exchange or market where those assets are traded or admitted for trading.

Assets which are not listed, quoted or dealt in on a stock exchange or market are (save as otherwise provided herein) valued at either the open market price, where relevant, or by independent certified calculation from the bank or broker through which the contract was traded or some other party acceptable to the Directors.

Deposits are valued at their principal amount plus accrued interest from the date on which the same were acquired or made.

The value of any units, shares or other interests in any collective investment scheme (whether in corporate or non-corporate form) or mutual fund is the mid-market price most recently available to the Manager when the valuation is being performed.

Derivative instruments are valued, where necessary, by independent certified calculation from the bank or broker through which the contract was traded or some other party acceptable to the Directors.

Unless otherwise provided, interest-bearing assets are valued at cost plus accrued interest from the date of acquisition.

In the case of any asset for which no price quotation is available as above provided, the fair value thereof is determined in such manner as the Directors shall from time to time determine.

If any asset is realised or contracted to be realised at a known value the net proceeds of such realisation are taken into account in lieu of any other method of determining the value of the asset concerned.

Where express provision is not made in the Fund's Articles of Association for valuation of any particular asset the same shall be valued on such basis as the Directors shall determine.

Currencies or values in currencies other than the currency of the relevant Sub-Fund are, unless the Directors determine otherwise, converted or translated at the spot exchange rates prevailing in the London foreign exchange market having regard (inter alia) to any premium or discount which may be relevant and to costs of exchange.

Any relevant expense or liability may be amortised over a determined period which may be lengthened or shortened, and the unamortised amount thereof at any time is also deemed to be an asset.

The Manager and the Directors are entitled to rely upon a statement as to the value of any investment or the rate of exchange prevailing at any time if they believe it to be genuine and to be given by a person independent of any of them who is competent to make such a statement.

The total value of each Sub-Fund's net assets is the value as described above of its assets less the total amount of its liabilities, including a reasonable estimate of potential liabilities, which have accrued and are payable out of the assets of the relevant Sub-Fund including the principal amount of any outstanding borrowings (whenever repayable) plus a reasonable estimate by the Manager of the total amount of any claims for the repayment of any taxation levied on capital (including capital gains) or on income accrued before the relevant Dealing Day and a sum representing any interest or dividends accrued but not received.

In exceptional circumstances, the investments of the Fund may, in the interest of fairness among shareholders, be differently valued for the purpose of calculating subscription and redemption prices of

Shares in the Sub-Funds. For example, if in order to meet redemptions it is necessary to realise investments prematurely, any penalties or losses incurred may be reflected in the redemption price of Shares. The Manager, when calculating the subscription price, may use offer prices in valuing the investments and may add thereto such sum as it may consider an appropriate provision for duties and charges, if in the opinion of the Manager not to do so would cause inequity between shareholders. The Manager, when calculating the redemption price, may use bid prices in valuing the investments and may deduct therefrom such sum as it may consider an appropriate allowance for duties and charges, if in the opinion of the Manager not to do so would cause inequity between shareholders.

The net asset value of each Sub-Fund is calculated as described above; any liabilities which are not attributable directly to a particular Sub-Fund are apportioned between Sub-Funds in such manner as the Directors consider equitable in the circumstances.

K. SUBSCRIPTION AND REDEMPTION PRICES

K.1 Issue of Shares

Shares of a Sub-Fund are available for issue on each Dealing Day (see Section L) of that Sub-Fund for an amount equal to the value of the net assets of that Sub-Fund divided by the number of Shares of the Sub-Fund in issue or deemed to be in issue therein on the Dealing Day. The price will be accurate to at least two decimal places.

K.2 Redemption of Shares

Shares of a Sub-Fund may be redeemed on a Dealing Day (see Section L) for an amount equal to the value of the net assets of that Sub-Fund divided by the number of Shares in issue or deemed to be in issue therein. The price will be accurate to at least two decimal places.

On a redemption of Shares, the nominal value of each Share will be financed by the issue of a Nominal Share (for which, during the currency of the Management Agreement, the Manager has agreed to subscribe). A holder of Nominal Shares shall be entitled at any time to convert such shares into Shares of a Sub-Fund by paying to the Fund on any Dealing Day the difference between the current subscription price of those Shares and the nominal value of the Nominal Shares converted.

K.3 Suspension of Valuation

The Manager may suspend the allocation, issue, repurchase and cancellation of Shares of any Sub-Fund and the calculation of the net asset value of any Sub-Fund for a period not exceeding two months if the Manager is of the opinion that there is good and sufficient reason to do so.

The Fund shall cease the issue, allocation, repurchase and redemption of relevant Shares forthwith upon such suspension or upon the occurrence of an event causing it to enter into liquidation.

Shareholders having requested a repurchase (or redemption) of their Shares will be notified in writing of any such suspension within 7 days of their request and will be promptly notified upon termination of such suspension.

The beginning and end of any period of suspension (except for customary closing of stock exchanges for not more than four days) will be made known at the registered office of the Fund and announced to shareholders affected.

L. THE SALE AND REDEMPTION/REPURCHASE OF SHARES

L.1 Dealing Day

A Dealing Day in relation to Shares in the Protected Cash Bonus Sub-Funds is normally every business day. For the remaining Sub-Funds there will be four Dealing Days during each year, which will normally be the Monday following the second Friday in June, September, December and March unless, in the opinion of the Manager, at its discretion, a different Dealing Day is appropriate. A business day is any day other than a Saturday, Sunday or day which is a public holiday in either England or the Isle of Man or a day falling within a period of suspension of the determination of the net asset value of Shares (as described in Section K). The Manager may, but is not obliged to, designate additional Dealing Days in its discretion.

L.2 Dealing

The Manager will deal in Shares of a Sub-Fund on each Dealing Day of the relevant Sub-Fund at prices based upon the underlying investments of the Sub-Fund as set out in Section K above.

Other than applications to purchase Shares in the Protected Cash Bonus Sub-Funds, applications for the purchase or redemption of Shares, together with cleared cash, received after 11.00am three business days prior to a Dealing Day of the Sub-Fund will be held over until the next Dealing Day of that Sub-Fund and, on acceptance by the Manager, will be dealt with at prices ruling on that day. Applications for the purchase or redemption of Shares in the Protected Cash Bonus or Protected Cash Feeder Sub-Funds, together with cleared cash, received after 11.00am on a Dealing Day of the Sub-Fund will be held over until the next Dealing Day of that Sub-Fund and on acceptance by the Manager, will be dealt with at prices ruling on that day. The Manager may in its discretion accept applications received after the deadlines described above.

All applications for Sub-Funds (other than applications for Protected Cash Bonus Sub-Funds or switches) will, upon acceptance, be invested (net of preliminary charges) in the Protected Cash Feeder Sub-Fund relevant to the currency of the investment. Where the application is for a Sub-Fund other than a Protected Cash Bonus Sub-Fund, at the next Dealing Day of the chosen Sub-Fund the investor's holding of Shares in the relevant Protected Cash Feeder Sub-Fund will be redeemed and the proceeds invested (without any preliminary charge being applied) in the selected Sub-Fund. Depending upon the domicile of the investor this procedure may have taxation consequences, and the Manager therefore recommends that each investor seeks appropriate professional advice.

The Manager reserves the right to reject any application to redeem or buy Shares if this would result in a shareholding falling below (or failing to reach) the required minimum level (see Sections L.5 and L.8).

Transactions will take place at the subscription or redemption prices ruling at the time an application or a redemption request is accepted by the Manager (or if no price is available at that time, due to a suspension or revaluation, at the next available price).

No pre-emption rights exist in respect of the Shares either under the laws of the Isle of Man or the Fund's Articles of Association.

Switching between Sub-Funds is also permitted on a Dealing Day save that no switches are permitted between different currencies of Sub-Funds or into the Protected Cash Feeder Sub-Funds; subject thereto, a shareholder may request (prior to 11.00 a.m. three business days prior to a Dealing Day of the relevant Sub-Fund) the Manager to exchange all or part of his holding of Shares in that Sub-Fund for those of another provided that, following such exchange, his holding in a Sub-Fund is equal to or greater than the minimum holding specified for each Sub-Fund. Switching requests must be submitted in writing in a manner and format as specified by the Manager from time to time. The Manager may in its discretion accept an application to switch that is received after the deadline referred to above. An exchange will be effected at no charge by reference to the net asset value per Share of each Sub-Fund and may have taxation consequences for investors in the United Kingdom and certain other jurisdictions. The minimum value of any switch is £1,000, US\$1,600 or Euro1,600 (depending upon the currency of the relevant Sub-Fund).

L.3 Currency of Payment and Foreign Exchange Transactions

Where payments in respect of purchase or redemption of Shares are tendered or requested in a freely transferable currency other than Sterling, US Dollars or Euros (depending upon the currency of the relevant Sub-Fund), the necessary foreign exchange transactions will be arranged by the Manager for the account of, and at the expense of, the applicant at the time the application is received and accepted.

L.4 Communications

All communications regarding the purchase or redemption of Shares must be made to the Manager whose details appear on page 2.

L.5 **Application Procedure**

Applications for Shares in the Protected Cash Feeder or Protected Cash Bonus Sub-Funds may be made to the Manager by 11.00am on any Dealing Day of the relevant Sub-Fund (together with cleared cash). Applications should be made by completing the appropriate application form provided (the "Application Form") and sending it by post duly completed to the Manager. In certain circumstances Application Forms may be faxed at the discretion of, and with the prior approval of, the Manager. An acknowledgement of the investment in the relevant Protected Cash Feeder or Protected Cash Bonus Sub-Fund will be made and sent to the applicant's authorised agent, if one is appointed, or otherwise direct to the applicant.

Applications for Shares in the remaining Sub-Funds may be made to the Manager by 11.00am three business days prior to any Dealing Day of the relevant Sub-Fund (together with cleared cash). Applications should be made by completing the appropriate Application Form provided and sending it by post duly completed to the Manager. In certain circumstances application forms may be faxed at the discretion of, and with the prior approval of, the Manager. An acknowledgement of the investment in the relevant Protected Cash Feeder or Protected Cash Bonus Sub-Fund will be made and sent to the applicant's authorised agent, if one is appointed, or otherwise direct to the applicant.

The Manager may in its discretion accept applications received after the deadlines referred to above.

Applicants may designate an independent financial adviser to give instructions on their behalf in relation to an investment in the Fund and dealings therein, by completing the relevant section of the appropriate Application Form.

Details of methods of payment are also contained in the Application Forms. Payment for Shares may be made by telegraphic transfer (in strict accordance with the settlement instructions as detailed in the Application Forms) or by bankers' draft or order; applications in excess of £225,000, US\$365,000 or Euro365,000 (as the case may be) must be made by telegraphic transfer. Applicants paying by telegraphic transfer will be allotted Shares on the Dealing Day following the day upon which the Manager receives advice from the remitting bank that cleared funds are available. Where application is made by bankers' draft or order, Shares will be allotted on the Dealing Day after cleared funds are received by the Manager. All allocations are on cleared funds.

Applicants for Shares in any Sub-Fund other than the Protected Cash Bonus Sub-Funds will have the proceeds of their application temporarily invested in the Protected Cash Feeder Sub-Fund appropriate to the currency of their application; the proceeds of such temporary investment will then be utilised to subscribe for Shares of the selected Sub-Fund as at the next Dealing Day of that Sub-Fund. Interest will not be paid on application monies pending investment in the relevant Protected Cash Feeder or Protected Cash Bonus Sub-Fund.

An application for Shares in any Sub-Fund made by an applicant not having any existing holding in the Sub-Fund will not be accepted if it is for less than £5,000 (for Sterling denominated Sub-Funds), US\$8,000 (for US Dollar denominated Sub-Funds) or Euro8,000 (for Euro denominated Sub-Funds) by value (or such lower value as the Directors may specify either generally or in any specific case). An existing holder of Shares in a Sub-Fund who wishes to increase his holding will not have his application accepted if it is for less than £2,500, US\$4,000 or Euro4,000 (as the case may be).

Every application for Shares will be the subject of money laundering checks and procedures.

L.6 **Redemption Procedure**

The Manager will generally redeem Shares of a Sub-Fund on each Dealing Day of that Sub-Fund. Requests to redeem Shares should be made to the Manager in writing signed by the shareholder. The following written information shall be given: the name of the holder (or holders) of Shares, the number of Shares to be redeemed and the name(s) of the relevant Sub-Fund(s). Where there are joint holders of shares the redemption instructions will require the authority of all joint holders. Where an independent financial adviser has been designated by the shareholder on the appropriate Application Form, transaction instructions may be taken from that adviser and the adviser shall be entitled to instruct the purchase, redemption or repurchase of Shares. Payment of a portfolio administration charge of up to 1% per annum of the shareholder's investment in the Fund (unless increased at the discretion of the shareholder) may be paid to the adviser as indicated on the Application Form, such charge to be paid

quarterly in arrears.

Requests for redemptions received by 11.00am on a Dealing Day in respect of the Protected Cash Feeder or Protected Cash Bonus Sub-Fund or by 11.00am three business days prior to a Dealing Day in respect of the remaining Sub-Funds and accepted by the Manager will be dealt with at the relevant redemption price ruling on that day. Requests received after these times will be held over until the next Dealing Day for the relevant Sub-Fund as appropriate, unless the Manager in its discretion determines otherwise.

The Manager may refuse to comply with instructions for dealings in Shares if to do so would result in a residual holding in the Fund of less than £5,000 (for Sterling denominated Sub-Funds), US\$8,000 (for US Dollar denominated Sub-Funds) or Euro8,000 (for Euro denominated Sub-Funds) by value (or such lower value as the Directors may specify either generally or in any specific case) or if the value of the deal is less than £500, US\$800 or Euro800 (as the case may be).

Requests to redeem, once made, may only be withdrawn in the event of a suspension or deferral of the redemption of Shares.

The Fund may but is not bound to redeem on any Dealing Day more than 10% of the Shares of a Sub-Fund in issue. If the number of redemption requests exceeds this limit, the requests may be reduced proportionately. Any requests not redeemed in full on the first Dealing Day will be carried forward to each succeeding Dealing Day until complied with in full. Requests carried forward from an earlier Dealing Day will be given priority over later redemption requests. In addition, the Directors have the discretion to redeem all Shares of a Sub-Fund in issue if this is considered advisable, prudent or otherwise in the interests of shareholders.

The Directors have discretion to redeem all the Shares of a Sub-Fund at the prevailing redemption price if the net asset value of the Sub-Fund is less than £2,000,000, US\$3,200,000 or Euro3,200,000 (depending upon the currency of the Sub-Fund) on two or more consecutive Dealing Days of that Sub-Fund. In addition, the Directors have an overriding discretion to redeem any shareholder's holding (including all holdings in any particular Sub-Fund or the Fund as a whole) if they consider it appropriate to do so.

L.7 Settlement

Following receipt and acceptance of redemption instructions, payments will normally be made in the currency of the Sub-Fund within 7 business days after the relevant Dealing Day provided the Manager is in receipt of all original authorised redemption documentation. Any costs in respect of currency conversions will be borne by the shareholder. Interest will not be paid in respect of redemption proceeds pending receipt of any original authorised redemption documentation.

Redemption proceeds will be sent by cheque at the risk of the shareholder to the address of the first named registered shareholder unless the Manager is notified otherwise. Shareholders may choose to have repurchase proceeds credited direct to a bank account by telegraphic transfer at the expense of the shareholder. Other than in exceptional circumstances, as determined by the Manager, payment of repurchase proceeds will not be made to third parties.

L.8 Minimum Holding of Shares

The minimum holding of Shares in any Sub-Fund is Shares to a value of not less than £5,000 for Sterling denominated Sub-Funds, US\$8,000 for US Dollar denominated Sub-Funds or Euro8,000 for Euro denominated Sub-Funds. or such lower value as the Directors may specify either generally or in any specific case.

L.9 Transfers

The transfer of Shares may normally be effected by delivery to the Manager of an instrument of transfer in a form acceptable to the Manager together with an application form duly completed by the transferee.

L.10 **Prices**

The prices of Shares in the different Sub-Funds are available from the Manager on any Dealing Day upon request.

M. **CHARGES AND EXPENSES**

M.1.1 **Manager's Preliminary Charge**

Shares in the Protected Cash Feeder and Protected Cash Bonus Sub-Funds are purchased following the deduction of a preliminary charge by the Manager of up to 9% of the subscription amount. The current level of preliminary charge is set at 7% of the subscription amount and the right is reserved to waive this preliminary charge in whole or in part and to pay or allow the same to other persons.

M.1.2 **Manager's Remuneration**

M.1.2.1 The Manager is entitled to receive from the Fund, in addition to the preliminary charge referred to above, a management charge as a percentage per annum of the value of the property of the Fund. The management charge accrues and is paid on each Dealing Day of the relevant Sub-Fund. The maximum charge is 2% per annum and the current charge is 1.25% per annum in respect of each Sub-Fund except the Protected Cash Feeder Sub-Funds which do not currently incur a management charge. Out of these charges the Manager is responsible for the payment of any fees of the Custodian.

M.1.2.2 The Manager may waive or rebate the whole or any part of its charges and fees in relation to any Sub-Fund or any shareholder therein for any period of time, in its complete discretion.

M.1.3 **Directors' Fees and Expenses**

The Articles of Association permit payment of Directors' fees of such sum as may be voted in general meeting, but no such fees are currently intended to be charged. Each Director may be reimbursed reasonable travelling, hotel and other incidental expenses of attending meetings of the Board of Directors or general meetings of the Fund.

M.1.4 **General Expenses**

M.1.4.1 The following expenses may be paid out of the property of the Fund, in addition to those set out at M.1.1 to M.1.3:-

- (a) the costs of dealing in the property of the Fund;
- (b) interest on borrowings permitted under the Fund and charges incurred in negotiating, effecting or varying the terms of such borrowings;
- (c) the costs and expenses incurred in obtaining a listing for the Shares on any stock exchange;
- (d) taxation and duties payable in respect of the property of the Fund, the principal constitutional documents and the creation and sale of Shares;
- (e) any costs incurred in modifying the principal constitutional documents;
- (f) the costs incurred in the preparation and publication of scheme particulars and any substituted or supplementary scheme particulars;
- (g) any costs incurred in respect of meetings of holders;
- (h) any charges reasonably incurred in depositing any part of the property of the Fund in safe-keeping;
- (i) the fees of any regulatory authority in a country or territory outside the Isle of Man in which Shares in the Fund are or may be marketed;
- (j) the Fund's audit fees;

- (k) the Custodian's expenses;
- (l) other out of pocket expenses related to the Fund such as the costs of producing and distributing reports and accounts to shareholders.

M.1.4.2 The preliminary expenses of the Fund on incorporation and in respect of the initial offers of Shares in each Sub-Fund were and will be paid by the Manager.

M.1.5 In apportioning expenses between Sub-Funds, the Directors will endeavour to ensure that they are borne equitably by shareholders of all Sub-Funds.

M.1.6 A portfolio administration charge of up to 1% per annum of the value of a shareholder's investment in the Fund (unless increased at the discretion of the shareholder) may also be payable to independent financial advisers, as described in Section L.6.

M.2. Value Added Tax

In addition, all fees and charges will, where appropriate, be subject to VAT in the Isle of Man, currently levied at 17.5%. Such VAT will be paid by the Fund.

N. DIVIDENDS, MEETINGS AND REPORTS

N.1 Dividends

The primary objective of each of the Sub-Funds is capital growth and the Directors intend to reinvest income received from investments to the extent that it is not used to meet expenses. Consequently, the Directors do not envisage recommending the payment of dividends to shareholders of the Sub-Funds although they may in their discretion do so at any time.

N.2 Meetings

The annual general meeting of shareholders of the Fund will be held in the Isle of Man each year, normally within four months of the end of the previous financial period. Only the holders of Management Shares will generally be entitled to vote thereat. General meetings of shareholders will be held at such time and place as are indicated in the notices of such meetings.

N.3 Reports

Financial periods of the Fund end on 31st December in each year being the annual accounting date. The annual report containing the audited financial accounts of the Fund will be sent to all shareholders or their appointed advisers within three months of the end of the financial period. This will also be available at the Fund's registered office at least 21 days before the annual general meeting.

Copies of all financial reports, the constitutional documents (and amendments, if any) and the latest Scheme Particulars may be obtained by persons entitled to receive the same from the registered office of the Fund and the Manager. Copies of all reports are available free of charge.

0. TAXATION

0.1 The following summary is based on the law and practice currently in force in the Isle of Man and the United Kingdom and is subject to changes therein.

0.1 The Fund

The Scheme is incorporated in the Isle of Man and as such is resident in the Isle of Man for Manx income tax purposes. The Isle of Man has introduced a general 0% tax rate for companies with effect from 6th April 2006, and as such the Scheme is liable to Manx income tax at 0% on its net income.

The Isle of Man does not levy taxes on capital inheritances, capital gains, gifts or sales. No Isle of Man tax will be withheld in respect of the payment of any dividends or redemption proceeds. There are no current exchange control restrictions in the Isle of Man. A fee is payable in respect of Isle of Man probate for the estate of a deceased shareholder, the current maximum fee being £649.

It is intended that the Fund will be so organised as to be fiscally resident in the Isle of Man. The Fund may invest in various jurisdictions and, in consequence, certain of its income and gains may be liable to taxation in those jurisdictions. However, the Fund will aim to minimise taxation on its income and gains to the extent to which the Directors and the Manager consider reasonable.

There are no current exchange control restrictions applicable in the Isle of Man.

The Directors intend that the affairs of the Fund should be managed and conducted so that it does not become resident in the United Kingdom for United Kingdom taxation purposes. Accordingly, provided that the Fund does not carry on a trade in the United Kingdom through a branch or agency situated therein that constitutes an assessable “UK representative” for United Kingdom taxation purposes, the Fund will not be subject to United Kingdom corporation tax on its income and capital gains. The Directors intend that the affairs of the Fund are conducted so that no such assessable “UK representative” will arise insofar as this is within their control, but it cannot be guaranteed that the conditions necessary to prevent any such assessable “UK representative” coming into being will at all times be satisfied.

Interest and other income received by the Fund which has a United Kingdom source may be subject to withholding taxes in the United Kingdom.

0.2 Shareholders

It is expected that shareholders in the Fund will be resident for tax purposes in many different countries. Consequently, no attempt is made in these Scheme Particulars to summarise the actual taxation consequences for each investor of subscribing for, buying, holding, transferring, redeeming, selling or otherwise acquiring or disposing of Shares. These consequences will vary in accordance with the law and practice currently in force in a shareholder’s country of citizenship, residence, and/or domicile and with his personal circumstances or, in the case of a corporation, its country of incorporation or place of management and control.

All investors should inform themselves of, and when appropriate consult their professional advisers on, the possible tax consequences and any exchange control requirements of subscribing for, buying, holding, transferring, redeeming, selling or otherwise acquiring or disposing of Shares in the Fund under the laws of their country of citizenship, residence or domicile.

P. GENERAL INFORMATION

P.1 Directors

The Board of Directors shall be composed of at least two persons.

Directors may be removed or replaced at any time by resolution of the shareholders entitled to vote.

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

There is no age limit or share qualification for Directors. The Directors are vested with all powers to perform all acts necessary or useful for accomplishing the Fund's investment objectives.

The Fund may indemnify any Director or officer to the extent permitted by the Companies Acts 1931 to 1993 out of the property of the Fund against all losses or liabilities which he may sustain or incur in relation thereto.

At no time will a majority of the Directors be resident in the United Kingdom nor will a meeting of Directors be validly constituted unless a majority of the Directors present at the meeting is not resident in the United Kingdom nor will the Board of Directors meet in the United Kingdom.

No Director or intending Director shall be disqualified by his office from contracting with the Fund either as vendor, purchaser or otherwise, nor shall any such contract or arrangement entered into by or on behalf of the Fund be avoided and any Director so contracting or being so interested shall not be liable to account to the Fund for any profit realised by any such contract or arrangement by reason of such Director holding that office, or of the fiduciary relationship thereby established, but the nature of his interest must be declared by him at the meeting of the Directors at which the question of entering

into the contract or arrangement is first taken into consideration, or if the Director was not at the date of the meeting interested in the proposed contract or arrangement then at the next meeting of the Directors held after he became so interested, and if the Director becomes interested in a contract or arrangement after it is made, then at the first meeting of the Directors held after he becomes interested.

A general notice in writing given to the Directors by any Director to the effect that he is a shareholder or member of any specified company or firm, and is to be regarded as interested in any contract which may thereafter be made with that company or firm, shall (if such Director shall give up the same at a meeting of the Directors or shall take reasonable steps to secure that the same is brought up and read at the next meeting of the Directors after it is given) be deemed a sufficient declaration of interest in relation to any contract so made.

Save as referred to below, a Director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he has a material interest otherwise than by virtue of his interest in shares or debentures or other securities of or otherwise in or through the Fund. A Director shall nevertheless be counted in the quorum at a meeting at which the matter upon which he is debarred from voting is under consideration.

A Director shall (in the absence of some other material interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters, namely:

- (a) the giving of any security or indemnity to him in respect of money lent or obligations incurred by him at the request of or for the benefit of the Fund or any of its subsidiaries;
- (b) the giving of any security or indemnity to a third party in respect of a debt or obligations of the Fund or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
- (c) any proposal concerning an offer of shares or debentures or other securities of or by the Fund or any of its subsidiaries for subscription or purchase in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof;
- (d) any proposal concerning any other company in which he is interested directly or indirectly and whether as an officer or shareholder or otherwise howsoever provided that he is not the holder of or beneficially interested in 1 per cent or more of any class of the equity share capital of such company (or of any third company through which his interest is derived) or of the voting rights available to members of the relevant company (any such interest being deemed to be a material interest in all circumstance).

The Fund may by ordinary resolution suspend or relax the provisions relating to the Directors' interests or ratify any transaction not duly authorised by reason of a contravention in that connection.

Save as set out herein no Director has an interest, direct or indirect, in any Shares or has an interest in any transaction which is significant to the business of the Fund or unusual in its nature.

Some of the Directors are also directors of the Manager and are therefore interested in its appointment in relation to the Fund

P.2 Dealings in Shares by the Manager

Subject to the taxation status of the Fund not being thereby prejudiced, the Manager may, as principal, acquire and hold Shares and may at its sole discretion satisfy, in whole or in part, an application or request;

- (a) for the purpose of the buying of Shares by the applicant by effecting a transfer to the applicant of Shares owned by the Manager at a price determined by the Manager, but in no circumstances to be greater than the relevant subscription price;
- (b) for the purpose of a redemption of Shares by a shareholder by buying such Shares from the shareholder at a price determined by the Manager, but in no circumstances to be at a price less than the relevant redemption price (save as set out in Section L.6).

The Manager is under no obligation to account to the Fund or to the shareholders for any profit which it makes on the issue of Shares or on the re-issue or cancellation of Shares which it has repurchased.

P.3 Amendment to the Articles of Association

The Articles of Association of the Fund may be amended at any time by a resolution of a meeting of shareholders subject to the quorum and voting requirements provided by Isle of Man law and the Fund's Articles of Association.

Written notice to shareholders of proposed amendments of the Fund's Articles of Association will normally be provided to holders of Shares in advance of the amendments being made. Such notice shall either state the text of amendments or summarise its content and provide that the complete text of the amendment shall be sent to any shareholder upon request.

P.4 Winding-up

The Fund and any Sub-Fund may be wound-up if a special resolution of the shareholders so determines.

On a winding-up, the assets available for distribution amongst the shareholders shall be applied by the liquidator in the following priority:

- (i) in the payment to the holders of Shares of sums up to the nominal amount paid thereon;
- (ii) in the payment to the holders of Nominal Shares of sums up to the nominal amount paid thereon;
- (iii) in the payment to the holders of Management Shares of sums up to the nominal amount paid thereon;
- (iv) in the payout to the holders of Shares of the balance in accordance with their respective interests in the property of the Fund.

P.5 Listing

The Shares are not listed on any stock exchange but the Directors may in the future make application for the Shares to be listed.

P.6 Subsidiaries, Litigation, Share and Loan Capital

The Fund has no subsidiaries and has not purchased or agreed to purchase or acquire any real property.

No litigation or claims of material importance are pending or threatened against the Fund. No share or loan capital of the Fund is under option or agreed to be put under option conditionally or unconditionally and save, as disclosed herein, no commission, discounts, brokerages or other special terms have been granted by the Fund prior to the date hereof in connection with the issue or sale of any share or loan capital of the Fund. No share or loan capital of the Fund has been issued or agreed to be issued prior to the date hereof or is proposed to be issued, fully or partly paid, for a consideration other than cash.

P.7 General

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Q. MATERIAL AGREEMENTS

Q.1 In relation to the Fund agreements have been entered into:-

- (a) between the Fund and the Manager on 6th March 1998 whereby the Manager has agreed to provide management services to the Fund in return for the consideration described in Section M hereof;
- (b) between the Fund, the Manager and the Custodian on 1st December 2002 whereby the Custodian has agreed to provide custodian services to the Fund in return for certain fees payable by the Manager.

Each of the above agreements contains provisions indemnifying and holding harmless the relevant functionary in respect of losses not caused by wilful default, fraud or negligence. Each agreement is

terminable by three months' notice by any party or earlier in certain circumstances.

- Q.2 At least 90 days' prior notice will be given to shareholders of any proposal to change the Manager or Custodian, to vary materially the Management or Custodian Agreements or to increase the charges payable to the Manager or Custodian from the current levels described herein.

R. DIRECTORS' RESPONSIBILITY, CONSENTS, ETC.

The Directors and the Manager are responsible for the information contained in this document. To the best of the knowledge and belief of the Directors and the Manager (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 Directors and the Manager accept responsibility accordingly.

Statements made in this document are based on the law and practice currently in force in the Isle of Man and are subject to changes in those laws. The distribution of this document and the offering of the Shares may be restricted in certain jurisdictions. It is the responsibility of any person in possession of this document and any persons wishing to make application for Shares pursuant to this document to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdictions.

Shares may not be acquired by persons resident in the Isle of Man except for persons who are exempt from taxation therein.

Prospective applicants for Shares should inform themselves as to the legal requirements and consequences of applying for, holding and disposing of Shares and any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence or domicile.

This document does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer is not qualified to do so to anyone to whom it is unlawful to make such offer or solicitation.

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 Fund or the Shares and, if given or made, such information or representations must not be relied on as having been authorised by the Fund. 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 Fund since the date hereof.

No action has been taken to permit the distribution of this document in any jurisdiction where action would be required for such purpose. This document does not constitute an offer to or solicitation by anyone in any jurisdiction in which such an offer or solicitation is not authorised, or to any person to whom it is unlawful to make such an offer or solicitation. In particular: (i) none of the Shares has been or will be registered under the United States Securities Act of 1933, as amended, nor has the Fund registered under the United States Investment Act of 1940, as amended and the Shares may not, except in a transaction which does not, and does not cause the Fund to violate such Acts, be offered, sold or transferred, directly or indirectly, in the United States of America, its territories or possessions and all areas subject to its jurisdiction ("United States") or to or for the benefit of any national or resident thereof (including any corporation, partnership or other entity created or organised in or under the laws of the United States or any political subdivision thereof) and any estate or trust which is subject to United States federal income taxation regardless of the source of its income, and (ii) the Fund is a UK unregulated collective investment scheme as defined in the United Kingdom Financial Services and Markets Act 2000 (the "FSMA") and this document may not be circulated or delivered to any person in the United Kingdom except in circumstances specified in the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001 and may not be circulated or delivered to any person authorised for purposes of the FSMA except pursuant to an exemption order under the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001.

Investors should inform themselves as to: (i) the legal requirements within their own countries for the purchase and holding of the Shares, (ii) any foreign exchange restrictions to which they might 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 the Shares.

Expressions which are used but not defined in this document have the meanings ascribed to them in the Fund's Articles of Association.

This document has been delivered to the Financial Supervision Commission in the Isle of Man and to the Custodian in accordance with the Financial Supervision (International Schemes) (Advertising and Scheme Particulars) Regulations 1995.