

Schedule of Similarities and Differences between a) Foreign (Ireland) & South African Regulations; b) Coronation Global Opportunities Fund & South African Collective Investment Scheme		
Topic/Item	Foreign Regulation Foreign Scheme	South African Regulation South African Unit Trust
1. Investment restriction of instruments issued by Government	No limit.	No limit.
2. Investment restriction on an individual security i.r.o. equity portfolios	Maximum of 10% of portfolio	Maximum of 5% of portfolio if company market cap is less than R2 billion, else 10%
3. Investment restriction on a class of security i.r.o. equity portfolios	<p>The combined portfolios in the scheme may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.</p> <p>A portfolio may acquire no more than 10% of the non-voting shares of any single issuing body</p>	<p>Maximum of 5% of amount in issue if company market cap. is less than R2 billion, else 10%. An overall limit of 15% of the aggregate amount of securities in any one class issued by a concern within the same group as the manager across all portfolios. An overall limit of 24% of the aggregate amount of securities in any one class issued by a concern other than a concern within the same group as the manager across all portfolios.</p>
4.1 Investment restrictions for money market/cash portfolio	<p>A Portfolio may invest no more than 10% of net assets in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.</p> <p>The limit of 10% is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by a UCITS Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.</p> <p>For the Coronation Global Cash Fund the minimum credit rating of the debt and debt-related instruments in which the fund may invest will be BBB rated by Standard & Poor's Rating Group, or if unrated, limited to 10% of the Fund's net assets - subject to a prescribed due diligence process. Up to 80% of the Fund's assets</p>	<p>Subject to certain limits prescribed in regulation</p> <p>For a money market portfolio the total investment exposure to - (a) any single issuer may not exceed 5, 20 or 30% depending on the short term issuer rating assigned to that issuer in the corresponding rating band as specified in regulation; (b) all issuers with ratings in rating band 3 may not exceed 30 per cent; and (c) all qualifying, rated instruments issued by a single issuer that has not been assigned a rating, may not exceed an overall limit of ten per cent, of the market value of the money market portfolio</p> <p><i>In addition other non-equity security portfolios may include (i) instruments issued by the Government of the Republic and listed on an exchange, to the extent of up to 100 per cent of the market value of a portfolio, and (ii) instruments guaranteed by the Government of the Republic or issued or guaranteed by the</i></p>

		<p>may consist of transferable securities and money market instruments which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which is dealt on a market which is regulated, operating regularly, recognized and open to the public in a Member State or non-Member State.</p> <p>At least 35% of the Fund's assets must consist of instruments or deposits which are redeemable or repayable within two weeks or capable of being transferred without the consent of a third party.</p>	<p><i>government of a foreign country which is assigned a foreign currency sovereign rating of at least investment grade, or any instrument issued by, or any other exposure to, the South African Reserve Bank to the extent of up to 30 per cent of the market value of the portfolio.</i></p>
4.2	Investment restrictions fund of funds	<p>A Portfolio may not invest more than 20% of net assets in any one CIS and Investment in non-UCITS portfolios may not, in aggregate, exceed 30% of net assets.</p> <p>A portfolio may only invest in another CIS portfolio which itself can invest no more than 10% in other funds/portfolios.</p>	<p>Must consist of not less than two underlying portfolios, provided the investment in any one portfolio may not exceed 75% of the value of the fund of funds. May only invest in other fund of funds where at least 85% of the value of the latter fund of funds is held in participatory interests outside South Africa.</p>
** 5.	Investment restrictions on the use of derivative instruments	<p>The Portfolios' global exposure (as prescribed in the UCITS Notices) relating to FDI must not exceed its total net asset value.</p> <p>Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the UCITS Notices.</p> <p>The Portfolios may engage in techniques and instruments such as financial derivative instruments for the purposes of efficient portfolio management including reduction of risk or cost or the generation of additional capital or income for the Fund - subject to the conditions and within the limits laid down by the Financial Regulator. (The Coronation World Equity Fund will not engage in techniques and instruments for the purpose of efficient portfolio management.)</p> <p>No gearing allowed.</p>	<p>100% nominal exposure restricted for purposes of efficient portfolio management only/no gearing allowed</p>
** 6.	Investment in listed instruments	<p>With the exception of permitted investments in unlisted securities (see point 8 below) and over the</p>	<p>90% of securities must be listed on Exchanges having obtained full membership of the World</p>

	<p>counter derivative instruments, investment in securities and derivative instruments will be restricted to those listed on the stock exchanges and markets listed in the prospectus and which also meet the due diligence requirements of the Irish Financial Regulator. For the Coronation Global Capital Plus Fund, the Coronation Global Managed Fund and the Coronation Global Emerging Markets fund, investments on exchanges without full membership of the World Federation of Exchanges will be limited to 10% of Fund value.</p>	<p>Federation of Exchanges</p>
<p>** 7. Non equity securities (other than issued by the Government)</p>	<p>UCITS regulations refer to “transferable securities” which include both equity and non-equity securities. As such investments in non-equity securities (other than issued by the Government) are not dealt with seperately. The following general investment restrictions applies to “transferable securities” and thus to non-equity securities:</p> <ol style="list-style-type: none"> 1. Investments of a UCITS are confined to Transferable securities which are either admitted to official listing on a stock exchange in a Member State (of the European Union) or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State (subject to a thorough due diligence being done on the relevant market). 2. A Fund may invest no more than 10% of net assets in transferable securities and money market instruments other than those referred to in paragraph 1. 3. A Fund may invest no more than 10% of net assets in recently issued transferable securities which will be admitted to official listing on a stock exchange or other market within a year. 4. A Fund may invest no more than 10% of net assets in transferable securities or money market instruments issued by the same body provided that the 	<p>Must be rated and limits as prescribed in Regulation</p>

		total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.	
** 8.	Investment in unlisted instruments	<p>Max 10% of portfolio value and Instrument must be listed within 12 months of purchase date or disposed of,</p> <p>- Provided also that the instruments are not illiquid - i.e. they may be realised by the Portfolio within seven days at the price, or approximately at the price, at which they are valued by the Portfolio.</p> <p>The Funds may utilize only listed financial derivative instruments, except in the case of currency and interest rate financial derivative instruments which can be traded over the counter.</p>	Instrument must be listed within 12 months of purchase date or disposed of, max 10% of portfolio value
9.	Investment of own resources into the fund	<p>Investments by the manager of the scheme from own resources in its funds are not required. However, there are the following capital adequacy requirements under the UCITS Management Directive:</p> <p>A Management Company must have an initial share capital of at least €125,000. Where the management company's assets under management exceed €250 million it must provide additional own funds at a rate of 0.02% of the amount of the excess. The aggregate of initial capital and own funds to be maintained by a management company is subject to a maximum of €10 million and a minimum of a quarter of the preceding year's fixed overheads (i.e. 13 weeks expenditure).</p>	Manager must invest R1 million of own resources in each fund; The R1m may be reduced with 10% for every R1m invested.
** 10.	1) Borrowing	1) Borrowings on behalf of the Trust or a Fund may only be made on a temporary basis for the purpose of satisfying redemption requests only. The aggregate amount of such borrowings may not exceed 10% of the Net Asset Value of each Fund.	1) 10 % of the Value of the underlying portfolio permitted for redemption of participatory interests only.
	2) Leveraging/Gearing (refer to 1)	2) Leverage/Gearing not allowed	2) Leverage/Gearing not allowed
11.	Markets/Exchanges 11.1 Listed	In accordance with the requirements of the Irish Financial Regulator a list of	90% of exchanges must have been granted full membership of

<p>11.2 OTC Markets**</p>	<p>regulated stock exchanges and markets on which the Funds may trade are listed in the prospectus of the Funds. Investments in these markets are however still subject to the Financial Regulator's criteria - which involves both an initial due diligence process and ongoing review requirements For the Coronation Global Capital Plus Fund, the Coronation Global Managed Fund and the Coronation Global Emerging Markets fund, investments on exchanges without full membership of the World Federation of Exchanges will be limited to 10% of Fund value.</p> <p>The Funds may utilize OTC currency and interest rate financial derivative instruments - subject to strict conditions and requirements imposed by the Irish regulator on UCITS schemes.. Other OTCs are not allowed.</p> <p>The World Equity Fund may not make use of any OTCs.</p>	<p>the World Federation of Exchanges, the rest must follow due diligence guidelines as prescribed by Regulation</p> <p>May use forward currency, interest rate or exchange rate swap transactions. Other OTCs not allowed</p>
<p>** 12. Expenses/Charges</p> <p>12.1 Costs to investors</p> <p>12.2 Charges against the portfolio.</p>	<p>Full disclosure in Prospectus and a investor approval of any changes.</p> <p>Expenses paid by the Trust, in addition to fees and expenses payable to the Manager, the Administrator, the Trustee and the Paying Agents appointed by or on behalf of the Trust include but are not limited to brokerage and banking commissions and charges, legal and other professional advisory fees, regulatory fees, filing and statutory fees, regulatory fees, auditing fees, translation and accounting expenses, interest on borrowings, taxes and governmental expenses applicable to the Trust, costs of preparation, translation, printing and distribution of reports and notices, all marketing material</p>	<p>Full disclosure in Deed and a notice to unitholders of change</p> <p>Brokerage, MST, VAT, stamp duties, taxes, audit fee, bank charges, trustee/custodian fees, other levies or taxes service charge and share creation fees payable to the Registrar of Companies</p>

		and advertisements and periodic update of the Prospectus, stock exchange listing fees, all expenses in connection with registration, listing and distribution of Units issued or to be issued, all expenses in connection with obtaining and maintaining a credit rating for any Funds or Classes or Units, expenses of Unitholders meetings, expenses of the publication and distribution of the Net Asset Value, clerical costs of issue or redemption of Units, postage, telephone, facsimile and telex expenses and any other expenses in each case together with any applicable value added tax.	
13.	Determination of market value of investments	Fair market price, or as determined with care and good faith by (i) the Manager or (ii) a competent person, firm or corporation (including the Investment Manager) selected by the Manager and <u>approved for the purpose by the Trustee</u> or (iii) any other means provided that the value is approved by the Trustee	Fair market price, or as determined by stockbroker
14.	Risk factors	Market, currency , counterparty, interest rate and geographic risk Different risks may apply to different Funds and/or Classes. See the endnote 1 of this document for more details on the potential risk factors.	Market, currency , counterparty, interest rate and geographic risk
**	15. Capped or not capped	Not capped	Not capped
**	16. Redemption (repurchase) of participatory interests	Legally obliged to redeem on any Dealing day at the NAV price. For a redemption to take place on a specific Dealing Day, the Instructions must be received by 5pm (Irish time) on the business day immediately preceding the relevant Dealing Day.	Legally obliged to redeem at same day's or previous day's price as determined in Deed
	17. Independent Trustee/custodian	Trustee/custodian is completely independent	Trustee/custodian must be completely independent
**	18. Taxation of Portfolio	No taxation in the portfolio	No taxation Interest portion taxable in the hands of the individual
**	19. Taxation of unitholders 19.1 Income - Dividends - Interest	The Funds do not distribute dividends or interest.	Only interest portion is taxable

19.2	Capital gains	It is the responsibility of South African investors to account for any taxes in their home country	Capital gains tax introduced on 1 October 2001
**	20.	Interval at which participatory interests are priced	Daily
**	21.	Distributions	The Funds do not declare any distributions
**	22.	Switching	Allowed - No charges by Manager
**	23.	Pledging of securities (See 10)	Generally not allowed, except insofar securities need to be pledged to secure a loan for the purpose of permitted borrowing.
**	24.	Scriplending/ Scripborrowing	Subject to the conditions and limits set out in the UCITS Notices, a Fund may use repurchase agreements, reverse repurchase agreements and/or stock lending agreements for efficient portfolio management, including the generation of additional income for the relevant Fund
**	25.	Certificates, if issued and needed for redemption	Certificates not issued
	26.	Reporting to supervisory authority	Semi-annually and annually
	27.	Inspection powers by supervisory authority	Yes
**	28.	Reporting to investors	A written confirmation of entry on the register will be sent to the applicant on acceptance of the application, providing full details of the transaction. A Unitholder statement will be sent to the relevant Unitholder on a monthly basis thereafter confirming entry on the register of Unitholders of the relevant Portfolio. The Manager will prepare an annual report and audited accounts as of 30th September in each year and a half-yearly report and unaudited accounts as of 31st March in each year. The audited annual report and the semi-annual report will be offered to subscribers before conclusion of a contract and supplied to Unitholders free of charge on request and will be available to the public at the offices of the Administrator. As the Funds (classes) are listed, the annual report and half-yearly report will be circulated to Unitholders.
**		Trust based Collective	Collective Investment Scheme,

29.	Legal structure if different from trust	Investment Scheme	whether trust based or Open Ended Investment Company
30.	Interest earned on funds pending investment and redemption	No interest is paid on early subscription monies received by Investors. As agreed with the Trustees, on a quarterly basis any Credit Interest (resulting from early settlement etc) is paid across to the relevant fund based on a transaction value for that quarter	Interest paid to clients
**	31. Any other material difference	None	

Endnotes:

1.Risk factors (*Refer part 14 of the above schedule of differences and similarities*)

General

Different risks may apply to different Funds and/or Classes.

There can be no guarantee that the investment objective of a Fund will actually be achieved.

Market Capitalisation Risk

The securities of small-to-medium-sized (by market capitalisation) companies, or financial instruments related to such securities, may have a more limited market than the securities of larger companies. Accordingly, it may be more difficult to effect sales of such securities at an advantageous time or without a substantial drop in price than securities of a Trust with a large market capitalisation and broad trading market. In addition, securities of small-to-medium-sized companies may have greater price volatility as they are generally more vulnerable to adverse market factors such as unfavourable economic reports.

Emerging Markets Risk

General

Certain Funds may invest in equity securities of companies in emerging markets. Such securities may involve a high degree of risk and may be considered speculative. Risks include (i) greater risk of expropriation, confiscatory taxation, nationalization, and social, political and economic instability; (ii) the small current size of the markets for securities of emerging markets issuers and the currently low or non-existent volume of trading, resulting in lack of liquidity and in price volatility, (iii) certain national policies which may restrict a Fund's investment opportunities including restrictions on investing in issuers or industries deemed sensitive to relevant national interests; and (iv) the absence of developed legal structures governing private or foreign investment and private property.

Political, Regulatory, Settlement and Sub-Custodial Risk

The value of a Fund's assets may be affected by uncertainties such as international political developments, changes in government policies, changes in taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which investment may be made. As some of the Funds may invest in markets where the trading, settlement and custodial systems are not fully developed, the assets of a Fund which are traded in such markets and which have been entrusted to sub-custodians in such markets may be exposed to risk in circumstances in which the Trustee will have no liability.

Such markets include Jordan, Bangladesh, Kenya, Zimbabwe, Botswana, India, Indonesia, South Korea and Pakistan.

Legal Infrastructure, Accounting, Auditing and Financial Reporting Standards

The legal infrastructure and accounting, auditing and financial reporting standards in certain countries in which investment may be made may be less extensive than those applicable to US and European Union companies and may thus not provide the same degree of investor protection or information to investors as would generally apply in major securities markets.

Exchange Control and Repatriation Risk

It may not be possible for Funds to repatriate capital, dividends, interest and other income from certain countries, or it may require government consents to do so. Funds could be adversely affected by the introduction of, or delays in, or refusal to grant any such consent for the repatriation of funds or by any

official intervention affecting the process of settlement of transactions. Economic or political conditions could lead to the revocation or variation of consent granted prior to investment being made in any particular country or to the imposition of new restrictions.

Market Risk

Some of the Recognised Exchanges in which a Fund may invest may be less well-regulated than those in developed markets and may prove to be illiquid, insufficiently liquid or highly volatile from time to time. This may affect the price at which a Fund may liquidate positions to meet redemption requests or other funding requirements.

Risks specific to investments in Russia

This is a risk specific to the **Coronation Emerging Markets Fund**.

Investments in companies organised in or who principally do business in the independent states that were once part of the Soviet Union, including the Russian Federation, pose special risks, including economic and political unrest and may lack a transparent and reliable legal system for enforcing the rights of creditors and Unitholders of the Fund. The concept of fiduciary duty is not well established and rules regulating corporate governance are undeveloped. Unitholders may, therefore, suffer dilution or loss of investment due to the actions of management without satisfactory legal remedy.

Evidence of legal title to shares in a Russian company is maintained in book entry form. In order to register an interest of the Fund's shares, an individual must travel to the company's registrar and open an account with the registrar. The individual will be provided with an extract of the share register detailing his interests but the only document recognised as conclusive evidence of title is the register itself. Registrars are not subject to effective government supervision. There is a possibility that the Fund could lose its registration through fraud, negligence, oversight or catastrophe such as fire. Registrars are not required to maintain insurance against these occurrences and are unlikely to have sufficient assets to compensate the Fund in the event of loss. In other circumstances such as the insolvency of a sub-custodian or registrar, or retroactive application of legislation, the Fund may not be able to establish title to investments made and may suffer loss as a result. In such circumstances, the Fund may find it impossible to enforce its rights against third parties. Neither the Fund, the Manager, the Investment Manager, the Trustee nor any of their agents make any representation or warranty in respect of, or in guarantee of, the operations or performance of any registrar or sub-custodian.

While the Coronation Emerging Markets Fund may invest to a limited extent in Russian equities traded on the MICEX and RTS Stock Exchange, the exposure to Russian traded equities shall not exceed 15% of the Net Asset Value of the Fund.

Liquidity Risk

Not all securities or instruments invested in by the Funds will be listed or rated and consequently liquidity may be low. Moreover, the accumulation and disposal of holdings in some investments may be time consuming and may need to be conducted at unfavourable prices. The Funds may also encounter difficulties in disposing of assets at their fair price due to adverse market conditions leading to limited liquidity.

Redemption Risk

Large redemptions of Units in a Fund might result in a Fund being forced to sell assets at a time and price at which it would normally prefer not to dispose of those assets.

Credit Risk

There can be no assurance that issuers of the securities or other instruments in which a Fund invests will not be subject to credit difficulties leading to the loss of some or all of the sums invested in such securities or instruments or payments due on such securities or instruments. Funds will also be exposed to a credit risk in relation to the counterparties with whom they trade or place margin or collateral in respect of transactions in financial derivative instruments and may bear the risk of counterparty default.

Currency Risk

Assets of a Fund may be denominated in a currency other than the Base Currency of the Fund and changes in the exchange rate between the Base Currency and the currency of the asset may lead to a depreciation of the value of the Fund's assets as expressed in the Base Currency. It may not be possible or practical to hedge against such exchange rate risk. The Fund's Investment Manager may, but is not obliged to, mitigate this risk by using financial instruments.

Funds may from time to time enter into currency exchange transactions either on a spot basis or by buying currency exchange forward contracts. Neither spot transactions nor forward currency exchange contracts eliminate fluctuations in the prices of a Fund's securities or in foreign exchange rates, or prevent

loss if the prices of these securities should decline. Performance of a Fund may be strongly influenced by movements in foreign exchange rates because currency positions held by a Fund may not correspond with the securities positions held.

A Fund may enter into currency exchange transactions and/or use techniques and instruments to seek to protect against fluctuation in the relative value of its portfolio positions as a result of changes in currency exchange rates or interest rates between the trade and settlement dates of specific securities transactions or anticipated securities transactions. Although these transactions are intended to minimise the risk of loss due to a decline in the value of hedged currency, they also limit any potential gain that might be realised should the value of the hedged currency increase. The precise matching of the relevant contract amounts and the value of the securities involved will not generally be possible because the future value of such securities will change as a consequence of market movements in the value of such securities between the date when the relevant contract is entered into and the date when it matures. The successful execution of a hedging strategy which matches exactly the profile of the investments of any Fund cannot be assured. It may not be possible to hedge against generally anticipated exchange or interest rate fluctuations at a price sufficient to protect the assets from the anticipated decline in value of the portfolio positions as a result of such fluctuations.

Unit Currency Designation Risk

A Class of Units of a Fund may be designated in a currency other than the Base Currency of the Fund. Changes in the exchange rate between the Base Currency and such designated currency may lead to a depreciation of the value of such Units as expressed in the designated currency. The Fund's Investment Manager may try but is not obliged to mitigate this risk by using financial instruments such as those described under the heading "Currency Risk". Investors should be aware that this strategy may substantially limit Unitholders of the relevant Class from benefiting if the designated currency falls against the Base Currency and/or the currency/currencies in which the assets of the Fund are denominated. In such circumstances Unitholders of the relevant Class of Units of the Fund may be exposed to fluctuations in the Net Asset Value per Unit reflecting the gains/losses on and the costs of the relevant financial instruments. Financial instruments used to implement such strategies shall be assets/liabilities of the Fund as a whole. However, the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant Class of Units of the Fund.

Investing in Fixed Income Securities

Investment in fixed income Securities is subject to interest rate, sector, security and credit risks. Lower-rated securities will usually offer higher yields than higher-rated securities to compensate for the reduced creditworthiness and increased risk of default that these securities carry. Lower-rated securities generally tend to reflect short-term corporate and market developments to a greater extent than higher-rated securities which respond primarily to fluctuations in the general level of interest rates. There are fewer investors in lower-rated securities and it may be harder to buy and sell such securities at an optimum time.

The volume of transactions effected in certain international bond markets may be appreciably below that of the world's largest markets, such as the United States. Accordingly, a Fund's investment in such markets may be less liquid and their prices may be more volatile than comparable investments in securities trading in markets with larger trading volumes. Moreover, the settlement periods in certain markets may be longer than in others which may affect portfolio liquidity.

Changes in Interest Rates

The value of Units may be affected by substantial adverse movements in interest rates.

Amortised Cost Method

Some or all of the investments of certain Funds may be valued at amortised cost. Investors' attention is drawn to the Section of the Prospectus entitled "Net Asset Value and Valuation of Assets" for further information.

In periods of declining short-term interest rates, the inflow of net new money to such Funds from the continuous issue of Units will likely be invested in portfolio instruments producing lower yields than the balance of such Fund's portfolio, thereby reducing the current yield of the Fund. In periods of rising interest rates, the opposite can be true.

Valuation Risk

A Fund may invest some of its assets in illiquid and/or unquoted securities or instruments. Such investments or instruments will be valued by the Manager or its delegate in good faith in consultation with the Investment Manager as to their probable realisation value. Such investments are inherently difficult to value and are the subject of substantial uncertainty. There is no assurance that the estimates resulting from the valuation process will reflect the actual sales or "close-out" prices of such securities.

Derivatives and Techniques and Instruments Risk

General

The prices of derivative instruments, including futures and options prices, are highly volatile. Price movements of forward contracts, futures contracts and other derivative contracts are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programmes and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly markets in currencies and interest rate related futures and options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. The use of techniques and instruments also involves certain special risks, including (1) dependence on the ability to predict movements in the prices of securities being hedged and movements in interest rates, (2) imperfect correlation between the hedging instruments and the securities or market sectors being hedged, (3) the fact that skills needed to use these instruments are different from those needed to select the Fund's securities and (4) the possible absence of a liquid market for any particular instrument at any particular time. The risks detailed at (1) to (4) may, either on their own or collectively, significantly impede effective portfolio management and/or the ability to meet redemption requests.

Liquidity of Futures Contracts

Futures positions may be illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits". Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a contract for a particular future has increased or decreased by an amount equal to the daily limit, positions in the future can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent a Fund from liquidating unfavourable positions.

Forward Trading

Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardized; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and "cash" trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. Market illiquidity or disruption could result in major losses to a Fund.

Margin

Transactions in derivatives (including short selling) will be made on margin or collateral. In adverse market conditions such transactions can lead to a total loss of the Fund's assets. Margin monies or collateral may be held outside the Trustee's network.

Counterparty Risk

Each Fund will have credit exposure to counterparties by virtue of positions in swaps, repurchase transactions, forward exchange rate and other contracts held by the Fund. OTC options are non-exchange traded option agreements, which are specifically tailored to the needs of an individual investor. These options enable the user to structure precisely the date, market level and amount of a given position. The counterparty for these agreements will be the specific firm involved in the transaction rather than a Recognised Exchange and accordingly the bankruptcy or default of a counterparty with which the Fund trades OTC options could result in substantial losses to the Fund. In addition, a counterparty may not settle a transaction in accordance with its terms and conditions because the contract is not legally enforceable or because it does not accurately reflect the intention of the parties or because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Fund to suffer a loss. To the extent that a counterparty defaults on its obligation and the Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights. Counterparty exposure will be in accordance with the Fund's investment restrictions. Regardless of the measures the Fund may implement to reduce counterparty credit risk, however, there can be no assurance that a counterparty will not default or that the Fund will not sustain losses on the transactions as a result.

Securities Lending Risk

As with any extensions of credit, there are risks of delay and recovery. Should the borrower of securities fail financially or default in any of its obligations under any securities lending transaction, the collateral

provided in connection with such transaction will be called upon. The value of the collateral will be maintained to equal or exceed the value of the securities transferred. However there is a risk that the value of the collateral may fall below the value of the securities transferred. In addition, as a Fund may invest cash collateral received, subject to the conditions and within the limits laid down by the Financial Regulator, a Fund investing collateral will be exposed to the risk associated with such investments, such as failure or default of the issuer of the relevant security.

Investment Manager Valuation Risk

The Administrator may consult the Investment Manager with respect to the valuation of certain investments. Whilst there is an inherent conflict of interest between the involvement of the Investment Manager in determining the valuation price of each Fund's investments and the Investment Manager's other duties and responsibilities in relation to the Funds, the Investment Manager has in place a pricing committee charged with reviewing all pricing procedures which follows industry standard procedures for valuing unlisted investments.

Liquidity of Units Risk

A listing of Units of a Fund or Class on the Irish Stock Exchange will not necessarily provide liquidity to investors.

Counterparty Valuation Risk

Where the counterparty valuation of an OTC derivative is approved or verified by an independent unit within the counterparty's group the approval or verification of the counterparty valuation may not be as robust as that provided by a party that is unrelated to the counterparty.