

PROSPECTUS

6 July, 2006

SWISS CAPITAL ALTERNATIVE FUNDS
SC GLOBAL PROPERTY FUND

**(an open-ended umbrella unit trust authorised in Ireland
by the Irish Financial Services Regulatory Authority
pursuant to the provisions of the Unit Trusts Act,
1990 and any regulations made thereunder)**

**If you are in doubt about the contents of this Prospectus, you should consult your
stockbroker, accountant, solicitor or other independent financial adviser.**

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DIRECTORY

Registered Office	Swiss Capital Alternative Funds IFSC House International Financial Services Centre Dublin 1 Ireland
Manager	Swiss Capital Invest Holding (Dublin) Limited IFSC House International Financial Services Centre Dublin 1 Ireland
Directors of the Manager	John Loveridge Marcel Schindler Hans-Jörg Baumann Philipp Weibel David Shubotham Mark Thorne
Investment Advisor	As disclosed in the relevant Supplement
Risk Advisor	As disclosed in the relevant Supplement
Trustee	Northern Trust Fiduciary Services (Ireland) Limited George's Quay House, 43 Townsend Street, Dublin 2, Ireland
Administrator, Registrar and Transfer Agent	Northern Trust International Fund Administration Services (Ireland) Limited George's Quay House, 43 Townsend Street, Dublin 2, Ireland
Auditors	PricewaterhouseCoopers George's Quay, Dublin 2, Ireland
Legal Advisors in Ireland	Dillon Eustace Grand Canal House 1 Upper Grand Canal Street Dublin 4 Ireland

Listing Agent

J & E Davy,
49 Dawson Street,
Dublin 2,
Ireland

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NOTICES

The Fund is an open-ended umbrella unit trust established by way of trust deed on 6 July, 2006 and authorised by the Irish Financial Services Regulatory Authority (the "Financial Regulator") pursuant to the provisions of the Unit Trusts Act, 1990 and any regulations made thereunder.

Authorisation of the Fund by the Financial Regulator is not an endorsement or guarantee of the Fund or any of its Portfolios by the Financial Regulator nor is the Financial Regulator responsible for the contents of this Prospectus. The Financial Regulator shall not be liable by virtue of its authorisation of the Fund or by reason of its exercise of the functions conferred on it by legislation in relation to this Fund for any default of the Fund. Authorisation of the Fund does not constitute a warranty by the Financial Regulator as to the credit worthiness or financial standing of the various parties to the Fund.

The Directors of the Manager (the "Directors"), whose names appear under the heading "Management of the Fund", accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

No person has been authorised to issue any advertisement or to give any information, or to make any representations in connection with the offering subscription or sale of Units, other than those contained in this Prospectus and, if issued, given or made, such advertisement, information or representations must not be relied upon as having been authorised by the Manager. Neither the delivery of this Prospectus nor the placing, allotment or issue of any of the Units shall under any circumstances create any implication or constitute a representation that the information given in this Prospectus is correct as of any time subsequent to the date hereof.

The Manager reserves the right in its absolute discretion to require compulsory redemption of all Units held by a Unitholder if the Net Asset Value of the Units held by the Unitholder is less than the Minimum Holding and in certain other circumstances as described under "Repurchase of Units" on page 41.

Prospective investors should inform themselves as to (a) the legal requirements within their own jurisdictions for the purchase or holding of Units, (b) any foreign exchange restrictions which may affect them, and (c) the income and other tax consequences which may apply in their own jurisdictions relevant to the purchase, holding or disposal of Units.

The Units are offered solely on the basis of the information and representations contained in this Prospectus and any further information given or representations made by any person may not be relied upon as having been authorised by the Manager. Neither the delivery of this Prospectus nor the issue of Units shall under any circumstances create any implication that there has been no change in the affairs of the Fund since the date hereof.

Investors should note that because investments in securities can be volatile and that their value may decline as well as appreciate, there can be no assurance that a Portfolio will be able to attain its objective.

Investment in the Fund carries substantial and above average risk and is suitable only for investors who are in a position to take such risk. The value of the Units can go down as well as up. There can be no assurance that the investment objective of any Portfolio will be achieved and investment results may vary substantially over time. Investment in the Fund is not intended to be a complete investment programme for any investor. The Directors may charge investors a preliminary charge of up to 3 per cent of any subscription amount in respect of any Portfolio unless otherwise stated in the relevant Supplement. Such fee will generally be retained by the Manager provided however that the Directors may from time to time at their sole discretion rebate to some or all investors or to their agents or to intermediaries part or all of that preliminary charge. The Directors may also charge investors a redemption charge of up to three per cent (3%) of any redemption amount in respect of any Portfolio. The actual charge (if any) and conditions will be provided for each Portfolio in the relevant Supplement to this Prospectus. Such fee will generally be retained by the Manager provided however that the Directors may from time to time at their sole discretion rebate to some or all investors or to their agents or to intermediaries part or all of that redemption charge. An investment in any Portfolio of the Fund is highly speculative and involves a high, above-average degree of risk and is only suitable for those investors who are able to assume the risk of losing their entire investment. The price of Units may fall as well as rise. The difference at any one time between the subscription and redemption prices means that this investment should be viewed as medium to long-term. Prospective investors should carefully consider whether an investment in the Units is suitable for them in light of their circumstances and financial resources (see further under "Risk Factors").

The distribution of this Prospectus and the offering and sale of the Units in certain jurisdictions may be restricted by law.

This Prospectus does not constitute, and may not be used for the purposes of, an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised, or to any person to whom it is unlawful to make such offer or solicitation. The distribution of this Prospectus and the offer, issue or sale of Units in certain jurisdictions may be restricted and, accordingly, persons into whose possession this Prospectus comes are required to inform themselves about, and to observe, such restrictions. Prospective investors should inform themselves as to (a) the legal requirements within their own jurisdictions for the purchase or holding of Units, (b) any foreign exchange restrictions which may affect them, and (c) the income and other tax consequences which may apply in their own jurisdictions relevant to the purchase, holding or disposal of Units.

The Units have not been registered under the United States Securities Act of 1933, as amended, or under the United States Investment Company Act of 1940, as amended, and may not be offered, sold, or delivered directly or indirectly in the United States or to, or for the account or benefit of, any US Person (except in accordance with an applicable exemption from the registration requirements of such Acts).

Distribution of this Prospectus is not authorised after the publication of the latest half-yearly report of the Fund unless it is accompanied by a copy of that report, and is not authorised

after the publication of the first annual report of the Fund unless it is accompanied by a copy of the latest annual report and any subsequent half-yearly report. Such reports will form part of this Prospectus.

The Fund has not been authorised by the Swiss Federal Banking Commission as a foreign investment fund under Article 45 of the Swiss Mutual Fund Act of 18 March 1994. Accordingly, the Units may not be offered or distributed on a professional basis in or from Switzerland, and neither this Prospectus nor any other offering material relating to the Units may be distributed in connection with any such offering or distribution. Units may only be offered and the Prospectus may only be distributed in Switzerland to a limited number of investors without any public offering.

The Units offered hereby do not comply with the conditions imposed by French law for issuance, distribution, sale, public offering, solicitation and advertising within France. The distribution of this Prospectus and the offering of Units in France are therefore restricted by French law. Prospective Unitholders should inform themselves as to the restrictions with respect to the manner in which they may dispose of the Units in France.

Any person who is in possession of this Prospectus understands that no action has or will be taken which would allow an offering of the Units to the public in Germany. Accordingly, the Units may not be offered, sold or delivered and neither this Prospectus nor any other offering materials relating to the Units may be distributed or made available to the public in Germany. Individual sales of the Units to any person in Germany may only be made according to German securities, tax and other applicable laws and regulations.

The Fund is not authorised by the Securities and Futures Commission in Hong Kong pursuant to Section 104 of the Securities and Futures Ordinance of Hong Kong and a copy of this Prospectus has not been registered by the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies Ordinance of Hong Kong. This Prospectus must not, therefore, be circulated, distributed or otherwise made available, and Units may not be offered or sold, to persons in Hong Kong other than (1) those whose ordinary business it is to buy or sell shares or debentures (whether as principal or as agent) or (2) in circumstances which would not constitute an offer to the public or any section thereof.

This Prospectus does not constitute or form part of any offer or invitation to the public to subscribe for or purchase Units and shall not be construed as such and no person other than the person to whom this Prospectus has been addressed or delivered shall be eligible to subscribe for or purchase Units.

Units may not be offered or sold and the Prospectus, or any circular, advertisement or other document or offering material relating to the Units, may not be published, distributed or made available in the Republic of Italy or to any Italian resident investor in circumstances which would be in breach of relevant Italian law and regulations.

The Units have not been, and will not be, registered under the Securities and Exchange Law of Japan and, accordingly, no Units may be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any Japanese person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese person except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time.

For this purpose, "Japanese person" means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

This Prospectus is not, and under no circumstance is to be construed as, a public offering of securities in Korea. Neither the Manager nor the Investment Advisor is making any representation with respect to the eligibility of any recipients of this Prospectus to acquire the Units under the laws of Korea, including without limitation the Foreign Exchange Management Act and regulations thereunder. The Units have not been registered under the Securities and Exchange Act of Korea and none of the Units may be offered, sold or delivered, or offered or sold to any person for re-offering or resale, in Korea or to any resident of Korea except pursuant to applicable laws and regulations of Korea.

This Prospectus has not been registered with the Registrar of Companies in Singapore and the Units will be offered in Singapore pursuant to an exemption invoked under Sections 106c and 106d of the Companies Act, Chapter 50 of Singapore ("Singapore Act"). Accordingly, the Units may not be offered or sold, nor may this Prospectus or any other offering document or material relating to the Units be circulated or distributed, directly or indirectly, to the public or any member of the public other than (1) to an institutional investor or other body or person specified in Section 106c of the Singapore Act, or (2) to a sophisticated investor specified in Section 106d of the Singapore Act, or (3) otherwise pursuant to, and in accordance with the conditions of, Section 106e(2) of the Singapore Act or any other applicable exemption invoked under division 5a of part IV of the Singapore Act.

The Fund is an unregulated collective investment scheme for the purposes of the Financial Services and Markets Act 2000 (the "FSMA"), Section 238 and made in accordance with the FSA Rules for promotion otherwise than to the general public. Accordingly, Units in the Fund are hereby being promoted only to "Investment professionals" within the meaning of Article 1 of the FSMA (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 ("the 238 Order") and high net worth corporate and unincorporated bodies and trusts of the sorts respectively specified in the provisions of Article 22 of the 238 Order. The transmission of this Prospectus to any other person in the UK is unauthorised and may contravene the FSMA.

Statements made in this Prospectus are based on the law and practice currently in force in Ireland and are subject to changes in that law.

As at the date of this Prospectus, the Fund had no outstanding mortgages, charges, debentures or any other borrowings, including bank overdrafts and liabilities made under acceptance credits, obligations made under finance leases, hire purchase commitments, guarantees or other contingent liabilities.

Application has been made to the Irish Stock Exchange (as defined herein) for the listing of the Euro, US Dollar and Swiss Franc Units representing the SC Global Property Fund to be issued to be admitted to the Official List (as defined herein). This Prospectus comprises listing particulars for the purpose of such application. It is anticipated that an active secondary market will not develop in the Units.

Admission of the aforementioned Swiss Capital Global Property Units to listing is expected to be effective on or about 6 July, 2006. Neither the admission of the Units to the Official List nor the approval of the Listing Particulars pursuant to the listing requirements of the

Irish Stock Exchange shall constitute a warranty or representation by the Irish Stock Exchange as to the competence of the service providers to or any other party connected with the Fund, the adequacy of information contained in the Listing Particulars or the suitability of the Fund for investment purposes.

An investment should only be made by those persons who could sustain a loss on their investment, should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.

DEFINITIONS

The following definitions apply throughout this Prospectus unless the context otherwise requires:-

<i>"Accounting Date"</i>	the date by reference to which the annual accounts of the Fund and each of its Portfolios shall be prepared and shall be 30 June in each year or (in the case of the termination of the Fund or of a Portfolio) the date on which monies required for the final distribution shall have been paid to the Unitholders in the relevant Portfolio or Portfolios. The first Accounting Date of the Fund and of each of its then open Portfolios shall be 30 June, 2007.
<i>"Accounting Period"</i>	in respect of each Portfolio, a period ending on an Accounting Date and commencing (in the case of the first such period) from and including the date of the first issue of Units of the relevant Portfolio or (in any other case) from the end of the last Accounting Period.
<i>"Act"</i>	the Unit Trusts Act, 1990 as same may be amended or supplemented or re-enacted from time to time including, without limitation, any regulations made or notices issued by the Financial Regulator thereunder affecting the Fund or any Portfolio.
<i>"Administration Agreement"</i>	the administration agreement dated 6 July, 2006 between the Manager and the Administrator.
<i>"Administrator"</i>	Northern Trust International Fund Administration Services (Ireland) Limited or such other company as may be appointed by the Manager in accordance with the requirements of the Financial Regulator.
<i>"Base Currency"</i>	means the base currency of the relevant Portfolio as the Manager may determine from time to time and disclose in the relevant Supplement.
<i>"Business Day"</i>	means in relation to each Portfolio, such days on which banks are open for business in such jurisdictions as is specified in the relevant Supplement.
<i>"Class"</i>	means a Class of Units issued in respect of a Portfolio.
<i>"Directors"</i>	means the Directors of the Manager.
<i>"ERISA"</i>	means the United States Employee Retirement Income Security Act of 1974, as amended.
<i>"Exempt Irish Investor"</i>	means:

- a pension scheme which is an exempt approved scheme within the meaning of Section 774 of the Taxes Act a retirement annuity contract or a trust scheme to which Section 784 or 785 of the Taxes Act applies;
- a company carrying on life business within the meaning of section 706 of the Taxes Act;
- an investment undertaking within the meaning of Section 739B(1) of the Taxes Act;
- a special investment scheme within the meaning of Section 737 of the Taxes Act;
- a unit trust to which section 731(5)(a) Taxes Act applies;
- a charity being a person referred to in section 739D(6)(f)(i) of the Taxes Act;
- a specified company within the meaning of Section 734(1) of the Taxes Act;
- a qualifying fund manager within the meaning of Section 784A(1)(a) of the Taxes Act, where the Units held are assets of an approved retirement fund or an approved minimum retirement fund;
- a qualifying savings manager within the meaning of Section 848B of the Taxes Act, in respect of Units, which are assets of a special savings incentive account within the meaning of Section 848C of the Taxes Act;
- a personal retirement savings account (“PRSA”) administrator acting on behalf of a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 787I of the Taxes Act, and the Units are assets of a PRSA;
- a credit union within the meaning of Section 2 of the Credit Union Act, 1997;
- any other Irish Resident or persons who are Ordinarily Resident in Ireland who may be permitted to own Units under taxation legislation or by written practice or concession of the Revenue Commissioners without giving rise to a charge to tax in the Fund or jeopardising tax exemptions associated with the Fund giving rise to a charge to tax in the Fund;

provided that they have correctly completed the Relevant Declaration.

"Financial Regulator"

means the Irish Financial Services Regulatory Authority.

"Fund"

Swiss Capital Alternative Funds.

"Hedged Class"

means a Class in respect of which the relevant Portfolio will conduct currency hedging transactions, the benefits, costs

and losses of which will accrue solely to the Unitholders of that Class.

"Initial Issue Price per Unit" the price at which the initial issue of Units of a Portfolio shall be made.

"Initial Offer Period" means the period, as specified in the Supplement, during which Units are offered at their Initial Issue Price.

"Intermediary" means a person who:

(a) carries on a business which consists of, or includes, the receipt of payments from an investment undertaking on behalf of other persons; or

(b) holds units in an investment undertaking on behalf of other persons.

"Investment Advisor" Such persons or corporations appointed by the Manager to manage the investment and reinvestment of the assets of any one or more of the Portfolios in accordance with the requirements of the Financial Regulator, details of which are set out in the relevant Supplement to this Prospectus.

"Investment Advisory Agreement" the investment advisory agreement dated 6 July, 2006 between the Manager and the Investment Advisor.

"Ireland" means the Republic of Ireland.

"Irish Resident" means:

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

Company

A company which has its central management and control in Ireland is resident in Ireland irrespective of where it is incorporated. A company which does not have its central management and control in Ireland but which is incorporated in Ireland is resident in Ireland except where;-

- the company or a related company carries on a trade in Ireland, and either the company is ultimately controlled by persons resident in EU Member States or in countries

with which Ireland has a double taxation treaty, or the company or a related company are quoted companies on a recognised Stock Exchange in the EU or in a treaty country under a double taxation treaty between Ireland and that country; or

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

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

Individual

An individual will be regarded as being resident in Ireland for a twelve (12) month tax year if he/she is present in Ireland:

- 1) for a period of at least 183 days in that twelve month tax year; or
- 2) for a period of at least 280 days in any two consecutive tax years, provided that the individual is resident in Ireland for at least 31 days in each twelve month period. In determining days present in Ireland, an individual is deemed to be present if he/she is in Ireland at the end of the day (midnight).

Trust

A trust will generally be Irish resident where the trustee is resident in Ireland or a majority of the trustees (if more than one) are resident in Ireland.

"Irish Stock Exchange"

The Irish Stock Exchange Limited.

"Investment Committee"

such persons as may be appointed by the Manager from time to time to provide strategic analysis and advice and as described on page 33.

"Listing Particulars"

the Prospectus, which constitutes listing particulars for the purposes of the application by the Manager for the listing of the Units of the relevant Portfolios of the Fund on the Official List.

"Management Fee"

the management fee which the Manager receives in respect of each Portfolio as set out in the relevant Supplement.

<i>"Manager"</i>	Swiss Capital Invest Holding (Dublin) Limited or any successor company that may be appointed as manager of the Fund and of each Portfolio with the prior approval of the Financial Regulator
<i>"Member State"</i>	a member state of the European Union.
<i>"Minimum Viable Amount"</i>	in relation to any particular Portfolio, the amount specified in the relevant Supplement, being the minimum level of economic viability of each Portfolio as determined by the Manager in consultation with the Investment Advisor.
<i>"Minimum Holding"</i>	in respect of each Portfolio an amount as specified in the relevant Supplement.
<i>"Minimum Initial Subscription"</i>	the minimum initial subscription as specified in the relevant Supplement.
<i>"Net Asset Value of a Class"</i>	the net asset value of a Class calculated in accordance with the provisions of the Trust Deed, as described under "Administration of the Fund - Calculation of Net Asset Value" on page 44.
<i>"Net Asset Value of a Portfolio"</i>	the net asset value of a Portfolio calculated in accordance with the provisions of the Trust Deed, as described under "Administration of the Fund - Calculation of Net Asset Value" on page 44.
<i>"Net Asset Value per Unit"</i>	the net asset value per Unit of a Class of Units of a Portfolio calculated in accordance with the provisions of the Trust Deed, as described under "Administration of the Fund - Calculation of Net Asset Value" on page 44.
<i>"Notices"</i>	the notices with respect to Non-UCITS issued from time to time by the Financial Regulator as the competent authority with responsibility for the authorisation of Non-UCITS.
<i>"OECD"</i>	means each of Australia, Austria, Belgium, Canada, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Korea, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic, Spain, Sweden, Switzerland, Turkey, United Kingdom and the United States (and any other country which may from time to time become a member).
<i>"Ordinarily Resident Ireland"</i>	means:

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

An individual will be regarded as ordinarily resident for a particular tax year if he/she has been Irish Resident for the three previous consecutive tax years (i.e. he/she becomes ordinarily resident with effect from the commencement of the fourth tax year). An individual will remain ordinarily resident in Ireland until he/she has been non-Irish Resident for three consecutive tax years. Thus, an individual who is resident and ordinarily resident in Ireland in the tax year 1 January 2006 to 31 December 2006 and departs from Ireland in that tax year will remain ordinarily resident up to the end of the tax year 1 January 2009 to 31 December 2009.

The concept of a Trusts ordinary residence is somewhat obscure and linked to its tax residence.

***“Portfolio”
or
“Portfolios”***

SC Global Property Fund and any additional Portfolios established by the Manager in consultation with the Investment Advisor from time to time with the prior approval of the Trustee and of the Financial Regulator.

“Recognised Exchange”

means any regulated stock exchange or market on which a Portfolio may invest. A list of those stock exchanges or markets is set out in Appendix I.

“Redemption Date”

in respect of a Portfolio shall be the time and day provided for in the relevant Supplement or such other Business Day as the Manager may determine and notify in advance to Unitholders provided that there shall be at least one Redemption Date every two weeks.

“Redemption Deadline”

in respect of a Portfolio, as provided in the relevant Supplement, or such other Business Day as the Manager may determine and notify in advance to Unitholders.

“Relevant Declaration”

means the declaration relevant to the Unitholder as set out in Schedule 2B of the Taxes Act.

“Relevant Period”

means a period of 8 years beginning with the acquisition of a Unit by a Unitholder and each subsequent period of 8 years beginning immediately after the preceding relevant period.

<i>"Risk Advisor"</i>	Such persons or corporations appointed by the Manager or Investment Advisor to provide risk monitoring and related services in respect of the assets of any one or more of the Portfolios in accordance with the requirements of the Financial Regulator, details of which are set out in the relevant Supplement to this Prospectus.
<i>"Securities Act"</i>	the United States Securities Act of 1933, as amended.
<i>"Subscription Date"</i>	in respect of a Portfolio shall be the time and day provided for in the relevant Supplement or such other Business Day as the Manager may determine and notify in advance to Unitholders, provided that there shall be at least one Subscription Date every two weeks.
<i>"Subscription Deadline"</i>	in respect of a Portfolio, as provided for in the relevant Supplement, or such other Business Day as the Manager may determine and notify in advance to Unitholders.
<i>"Subscription Price"</i>	the price per Unit at which Units are issued after the close of the Initial Offer Period calculated in the manner described on page 37.
<i>"Supplement or Supplements"</i>	the supplements to the Prospectus describing each Portfolio, which should be read in conjunction with the Prospectus as a whole.
<i>"Taxes Act"</i>	means the Taxes Consolidation Act, 1997 (of Ireland) as amended.
<i>"Trust Deed"</i>	the deed of trust dated 6 July, 2006 between the Manager and the Trustee.
<i>"Trustee"</i>	Northern Trust Fiduciary Services (Ireland) Limited or any successor company as trustee of the Fund and of each Portfolio with the prior approval of the Financial Regulator.
<i>"UCITS"</i>	means an Undertaking for Collective Investment in Transferable Securities established pursuant to EC Council Directive 85/611/EEC of 20 December 1985, as amended by EC Council Directive 2001/108/EC, and as may be further amended, consolidated or substituted from time to time.
<i>"UCITS Notices"</i>	the notices with respect to UCITS issued from time to time by the Financial Regulator as the competent authority with responsibility for the authorisation of UCITS.

<i>"UCITS Regulations"</i>	means the European Communities Undertakings for Collective Investment in Transferable Securities) Regulations, 2003 (S.I. No. 211 of 2003) (as amended consolidated or substituted from time to time) and any regulations or notices issued by the Financial Regulator pursuant thereto for the time being in force.
<i>"Unhedged Class"</i>	means a Class of Units where, typically, Units may be subscribed for and distributions calculated and paid and redemption proceeds paid in a currency other than the Base Currency of the relevant Portfolio on the basis of a currency conversion at the prevailing spot currency exchange rate of the relevant Base Currency of the relevant Class of Unit.
<i>"Unit(s)"</i>	represents the beneficial ownership of one undivided share in the assets of a Portfolio and includes any fraction of a Unit.
<i>"United States"</i>	the United States of America (including the States and the District of Columbia), its territories, possessions and all other areas subject to its jurisdiction.
<i>"Unitholder"</i>	a person who is registered as the holder of a Unit from time to time.
<i>"Unregulated CIS"</i>	means any collective investment scheme ("CIS") which does not fall within the category of regulated CIS as outlined in the Financial Regulator's Guidance Note 1/01.
<i>"U.S. Person"</i>	any resident of the United States, a corporation, partnership or other entity created or organised in or under the laws of the United States, or any person falling within the definition of the term "U. S. person" under Regulation S promulgated under the Securities Act and who does not qualify as "accredited investors" as defined in Rule 501(a) of Regulation D promulgated under the Securities Act.
<i>"Valuation Point"</i>	in respect of a Portfolio shall be the day provided for in the relevant Supplement or such other Business Day as the Manager may determine and notify to Unitholders, provided that there is a Valuation Point for each Subscription Date and Redemption Date. The Net Asset Value of the Fund or a Portfolio is calculated by reference to closing prices in the relevant markets on the Valuation Point unless otherwise provided. See page 44 herein.
<i>"VAT"</i>	value added tax.

In this Prospectus, unless otherwise specified, all references to "Dollars", "US\$" or "cents" are to United States dollars or cents, to "£" are to Pounds Sterling and to

"Euro", or "€" are to the unit of single currency in the European Union and to "CHF" are to Swiss Francs.

SUMMARY

The following summary is intended for information purposes only and is qualified in its entirety by the detailed information included elsewhere in this Prospectus and in the Trust Deed.

Investment Options

The Fund is an authorised open-ended umbrella unit trust established under the Act and constituted by a Trust Deed dated 6 July, 2006 which is made up of a number of Portfolios. Each Portfolio is a separate pool of assets and liabilities. A Unit in a Portfolio represents the beneficial ownership of one undivided share in the assets of the relevant Portfolio referable to that Class of Unit. Units may be issued in different Classes, the entitlements of which will be set out in each Supplement. Each Unitholder is entitled to vote at general meetings that affect its rights or interests.

Subscribers are able to gain access to the Portfolios through a range of Classes of Units offered in various currencies. The initial Portfolio is SC Global Property Fund. Additional Portfolios may, with the prior approval of the Financial Regulator and the consent of the Trustee, be added by the Manager. Additional Classes in respect of which a Supplement or Supplements will be issued may be established by the Manager and notified in advance to the Financial Regulator in accordance with its requirements. The name of each additional Portfolio, details of its investment objective and policies, of the types of Classes available, the minimum subscription and applicable fees and expenses shall be set out in a Supplement to this Prospectus.

Manager

Swiss Capital Invest Holding (Dublin) Limited is the Manager of the Fund and each Portfolio. The Manager, which is a private limited liability company which was incorporated in Ireland on 17th May 2005, is a wholly owned subsidiary of Swiss Capital Alternative Investments AG, and is authorised by the Financial Regulator.

Investment Advisor

The Manager shall appoint one or more investment advisors to manage and/or advise it in relation to the management of, the assets of the Portfolios. The name of any such Investment Advisor shall be set out in the relevant Supplement.

Risk Advisor

The Manager shall appoint one or more risk advisors to advise it in relation to the management of, the assets of the Portfolios. The name of any such Risk Advisor shall be set out in the relevant Supplement.

Administrator

The Manager has appointed Northern Trust International Fund Administration Services (Ireland) Limited to act as the Fund's Administrator under an administration agreement dated

6 July, 2006. The Administrator is a wholly-owned subsidiary of Northern Trust GFS Holdings Limited which in turn is wholly owned by Northern Trust Corporation.

The administration duties and functions of the Administrator will include, inter alia, the calculation and publication of the Net Asset Value.

Trustee

Northern Trust Fiduciary Services (Ireland) Limited has been appointed as trustee pursuant to the terms of the Trust Deed. The Trustee is a wholly-owned subsidiary of Northern Trust GFS Holdings Limited which is in turn wholly owned by Northern Trust Corporation.

The Trustee is obliged, inter alia, to keep all the assets of the Fund in safe-keeping and to ensure, inter alia, that the issue and repurchase of Units and the application of income are all carried out in accordance with the Act and the Trust Deed of the Fund and to enquire into the conduct of the Fund in each financial year and to report thereon to the Unitholders.

Subscriptions

All Classes offered via this Prospectus that are open for investment can be purchased on any Subscription Date (as defined in respect of each Portfolio in the relevant Supplement). During the initial offer period of a Class, Units shall be issued at a given initial issue price as set out in the relevant Supplement. Thereafter, Units shall be issued at the prevailing Net Asset Value per Unit (plus charges, if applicable). Please contact the Administrator for an application form. The latest Net Asset Value is available from the Administrator and the Investment Advisor and is updated on Bloomberg on a monthly basis. The Net Asset Value per Unit will also be notified immediately upon calculation by the Administrator to the Irish Stock Exchange. The Administrator should receive applications for subscriptions by the Subscription Deadline.

If there is sufficient proof of a failure in the banking system to ensure receipt of funds by the above deadline, the Manager has discretion to extend such deadlines until 5.00 p.m. (Irish time) on the relevant Subscription Date.

Investors in the Fund should be aware that the Manager has the discretion to impose a preliminary charge of up to 3% of the total subscription amount in respect of subscription requests.

Eligible Investors

Investors must initially subscribe for not less than the Minimum Initial Subscription. Investors wishing to hold Units of more than one Portfolio must subscribe not less than the minimum amount which may be subscribed as specified from time to time by the Manager in respect of each Portfolio and set out in the relevant Supplement.

The Units have not been registered under the United States Securities Act of 1933, as amended, or under the United States Investment Company Act of 1940, as amended, and may not be offered, sold, or delivered directly or indirectly in the United States (except in accordance with an applicable exemption from the registration requirements of such Acts) or to, or for the account or benefit of, any U.S. Person, and with the approval of the Manager.

Generally speaking, the Units may not be offered or sold to or held by any person or entity in breach of the laws or regulations applicable to such person or entity.

Redemptions

Units will be redeemed at the option of Unitholders at the prevailing Net Asset Value per Unit on any Redemption Date (as defined in respect of each Portfolio in the relevant Supplement) less any applicable redemption charges. The Administrator should receive redemption requests by the Redemption Deadline. A redemption charge of up to 3% of the redemption amount may be payable to a Portfolio in respect of any redemptions or conversions which take place within a period of time from the date of subscription. The actual charge (if any) and conditions will be provided for each Portfolio in the relevant Supplement to this Prospectus. For this purpose, Units will be deemed to be repurchased on a “first-in, first-out” basis. The Manager may at its sole discretion waive such fee or differentiate between applicants as to the amount of such fee within the permitted limits.

Fees and Expenses

The management, performance, administration and custody fees of each Portfolio are set out in the relevant Supplement. The Fund’s management, legal, audit and other expenses will be apportioned among and borne by the Fund’s Portfolios pro rata to the Net Asset Value of each Portfolio at the time.

Distribution Policy

It is not anticipated that any distributions will be paid to Unitholders out of a Portfolio’s earnings and profits, such proceeds being instead re-invested.

Financial Statements

The Fund will publish financial statements as of 30 June of each year and semi-annual unaudited interim financial statements as of 31 December of each year in conformity with International Financial Reporting Standards, except that costs of organisation, re-structurings (if any), capital increases and adding further Portfolios need not be written off immediately but may be amortised over a period not exceeding the first three (3) financial years of the Portfolio.

THE FUND

Introduction

The Fund, constituted on the 6 July, 2006 is an open-ended umbrella unit trust organised pursuant to and complying with the provisions of the Act. Its rules are set out in the Trust Deed, which is binding upon the Trustee, the Manager and all Unitholders.

The Trust Deed constitutes the Fund, which is made up of the Portfolios. The proceeds from the issue of Units in a Portfolio shall be applied in the records and accounts of the Fund for that Portfolio, and the assets and liabilities and income and expenditure attributable thereto shall be applied to that Portfolio subject to the provisions of the Trust Deed. The Manager may issue one or more Classes of Units in respect of each Portfolio. The Manager will disclose in each Supplement the different entitlements, costs or liabilities that apply to each Class and the assets and liabilities of each Portfolio shall be attributed to each Class accordingly.

The assets of each Portfolio will be invested separately in accordance with the investment objective and policies of the relevant Portfolio as set out in a Supplement to this Prospectus. Supplements may be added to or removed from this Prospectus as Portfolios are added to the Fund or terminated, as the case may be.

Monies subscribed for a Portfolio must be in the denominated currency of the relevant Class of that Portfolio.

The current Portfolios and the denominated currencies of the Classes available for subscription for each Portfolio are listed below:

Portfolios

Name of Portfolio	Class	Currency
SC Global Property Fund	Euro Units	Euro
	US Dollar Units	US\$
	Swiss Franc Units	CHF

Additional Portfolios may, with the prior approval of the Financial Regulator and the consent of Trustee, be added by the Manager. Additional Classes may be added by the Manager upon prior notification and clearance in advance by the Financial Regulator and prior notification to the Trustee. The name of each additional Portfolio and Class, the terms and conditions of its initial offer of Units, details of its investment objective and policies and of any applicable fees and expenses shall be set out in a Supplement to this Prospectus.

Classes in a Portfolio may be denominated in currencies other than the Base Currency of the Portfolio and the Investment Advisor may decide that the currency exposure created be either hedged or unhedged. Details of hedging activities applicable to a Portfolio will be set out in the relevant Supplement together with the extent to which the Investment Advisor intends to hedge against currency exposure.

The Manager, on the advice of the Investment Advisor, shall have the power, upon notice to the Financial Regulator and to the Trustee, to close any Portfolio in existence if practically possible, by serving not less than fourteen days' notice on the Unitholders in that Portfolio. On expiration of the fourteen days' notice period, the Manager shall apply to the Financial Regulator for revocation of authorisation of the Portfolio.

To invest in the Fund is to purchase Units in a Portfolio. A separate portfolio of assets will be maintained in respect of each Portfolio but not each Class. It is the Portfolio that accumulates the assets on behalf of the Unitholders. A Unit in a Portfolio represents the beneficial ownership of one undivided share in the assets of the relevant Portfolio referable to that Class of Unit.

Each Portfolio will be treated as bearing its own liabilities, as may be determined at the discretion of the Manager with the approval of the Trustee. The Fund is not liable as a whole to third parties provided, however, that if the Manager is of the opinion that a particular liability does not relate to any particular Portfolio or Portfolios, that liability shall be borne jointly by all Portfolios pro rata to their respective Net Asset Values at the time when the allocation is made.

Subject to the preceding sentence, the assets of each Portfolio shall belong exclusively to that Portfolio, shall be segregated from the other Portfolios, shall not be used to discharge directly or indirectly the liabilities of or claims against any other Portfolio and shall not be available for such purpose.

Investment Objective and Policies

The assets of each Portfolio will be invested separately in accordance with the investment objective and policies of that Portfolio which are set out in a Supplement to this Prospectus. Supplements may be added to or removed from this Prospectus from time to time as Portfolios are added to the Fund or terminated, as the case may be.

The Manager, in consultation with the Investment Advisor, is responsible for the formulation of each Portfolio's present investment policy and any subsequent changes to that policy in the light of political and/or economic conditions. The present investment policy of a Portfolio may be amended from time to time by the Manager if it shall deem it to be in the best interests of the relevant Portfolio to do so, provided that material changes to a Portfolio's investment policy may only be made by an ordinary resolution of the Unitholders of that Portfolio. The investment objective of a Portfolio may only be amended by an ordinary resolution of the Unitholders of that Portfolio. In the event of any change in the investment objective and/or policy of a Portfolio, a reasonable notification period must be provided to enable Unitholders redeem their Units prior to implementation of such changes.

Investors should be aware that the performance of certain Portfolios may be measured against a specified index or benchmark and in this regard, Unitholders are directed towards the relevant Supplement which will refer to any relevant performance measurement criteria. The Manager may at any time change that reference index where, for reasons outside its control, that index has been replaced, or another index or benchmark may reasonably be considered by the Manager to have become the appropriate standard for the relevant exposure. Such a change would represent a change in policy of the relevant Fund and Unitholders will be advised of any change in a reference index or benchmark (i) if made by

the Manager, in advance of such a change and (ii) if made by the Index concerned, in the annual or half-yearly report of the Fund issued subsequent to such change.

Investment Restrictions

The Portfolios shall comply with the restrictions herein on investment and borrowing, as may be applicable to the particular investment strategy of a Portfolio. If the limits on investments contained below are exceeded for reasons beyond the control of the Manager or an investment advisor or as a result of the exercise of subscription rights, the Manager or the investment advisor will adopt as a priority objective the remedying of that situation (i.e. will reduce these investments within an adequate time period to comply with the limits), taking due account of the interests of Unitholders.

The Manager may impose any other investment restrictions or guidelines at any time in the interest of Unitholders and whenever they are necessary to comply with the laws and requirements of the Republic of Ireland or of those countries where Units may be offered or sold.

Investment Restrictions

1	Permitted Investments
	Investments of each Portfolio are confined to:
1.1	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 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.
1.2	Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
1.3	Money market instruments, as defined in the Financial Regulator’s UCITS Notices, other than those dealt on a regulated market.
1.4	Units of UCITS.
1.5	Units of non-UCITS as set out in the Financial Regulator’s Guidance Note 2/03.
1.6	Deposits with credit institutions as prescribed in the UCITS Notices.
1.7	Financial derivative instruments as prescribed in the UCITS Notices.
2	Investment Restrictions
2.1	Each Portfolio may invest no more than 10% of net assets in transferable securities and money market instruments other than those referred to in paragraph 1.
2.2	Each Portfolio may invest no more than 10% of net assets in recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described in paragraph 1.1) within a year. This restriction will not apply in relation to investment by a Portfolio in certain US securities known as Rule 144A securities provided that:

	<ul style="list-style-type: none"> - the securities are issued with an undertaking to register with the US Securities and Exchanges Commission within one year of issue; and - the securities are not illiquid securities i.e. they may be realised by a Portfolio within seven days at the price, or approximately at the price, at which they are valued by a Portfolio.
2.3	Each 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%.
2.4	Subject to the prior approval of the Financial Regulator the limit of 10% (in 2.3) is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. If a Portfolio invests more than 5% of its net assets in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the net asset value of the Portfolio.
2.5	The limit of 10% (in 2.3) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by a 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.
2.6	The transferable securities and money market instruments referred to in 2.4. and 2.5 shall not be taken into account for the purpose of applying the limit of 40% referred to in 2.3.
2.7	Each Portfolio may not invest more than 20% of net assets in deposits made with the same credit institution. Deposits with any one credit institution, other than credit institutions authorised in the EEA or credit institutions authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988 (Switzerland, Canada, Japan, United States) or credit institutions authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand, held as ancillary liquidity, must not exceed 10% of net assets. This limit may be raised to 20% in the case of deposits made with the trustee.
2.8	The risk exposure of each Portfolio to a counterparty to an OTC derivative may not exceed 5% of net assets. This limit is raised to 10% in the case of credit institutions authorised in the EEA or credit institutions authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988; or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.
2.9	Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of net assets: investments in transferable securities or money market instruments; deposits, and/or risk exposures arising from OTC derivatives transactions.
2.10	The limits referred to in 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above may not be combined, so that exposure to a single body shall not exceed 35% of net assets.
2.11	Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20% of net assets may be applied to investment in transferable

	<p>securities and money market instruments within the same group.</p> <p>2.12 Each Portfolio may invest up to 100% of net assets in different transferable securities and money market instruments issued or guaranteed by any Member State, its local authorities, non-Member States or public international body of which one or more Member States are members,</p> <p>The individual issuers must be listed in the Prospectus and may be drawn from the following list:</p> <p>OECD Governments (provided the relevant issues are investment grade), European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, International Monetary Fund, Euratom, The Asian Development Bank, European Central Bank, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and Development (The World Bank), The Inter American Development Bank, European Union, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie Mae), Student Loan Marketing Association (Sallie Mae), Federal Home Loan Bank, Federal Farm Credit Bank, Tennessee Valley Authority, Export-Import Bank.</p> <p>The Portfolio must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of net assets.</p>
3	Investment in Collective Investment Schemes (“CIS”)
3.1	Each Portfolio may not invest more than 20% of net assets in any one CIS and no more than 10% of net assets in Unregulated CIS.
3.2	Investment in non-UCITS may not, in aggregate, exceed 30% of net assets.
3.3	The CIS are prohibited from investing more than 10 % of net assets in other CIS.
3.4	When a Portfolio invests in the units of other CIS that are managed, directly or by delegation, by the Portfolio management company or by any other company with which the Portfolio management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription, conversion or redemption fees on account of the Portfolio’s investment in the units of such other CIS.
3.5	Where a commission (including a rebated commission) is received by the Portfolio manager/investment manager/investment adviser by virtue of an investment in the units of another CIS, this commission must be paid into the property of the Portfolio.
4	Index Tracking UCITS
4.1	Each Portfolio may invest up to 20% of net assets in shares and/or debt securities issued by the same body where the investment policy of the Portfolio is to replicate an index which satisfies the criteria set out in the UCITS Notices and is recognised by the Financial Regulator
5	General Provisions

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

5.8	money market instruments; units of CIS; or financial derivative instruments. A UCITS may hold ancillary liquid assets.
6	Financial Derivative Instruments ('FDIs')
6.1	Investment in FDIs is subject to the conditions and limits laid down by the Financial Regulator in the NU Notices.
6.2	Each Portfolio may invest in FDIs dealt in over-the-counter (OTC) provided that the counterparties to over-the-counter transactions (OTCs) are institutions subject to prudential supervision and belonging to categories approved by the Financial Regulator.
7	Restrictions on Borrowing and Lending
(a)	A Portfolio may borrow up to 10% of its Net Asset Value provided such borrowing is on a temporary basis. A Portfolio may charge its assets as security for such borrowings.
(b)	A Portfolio may acquire foreign currency by means of a "back to back" loan agreement. Foreign currency obtained in this manner is not classified as borrowing for the purposes of UCITS Regulation 70(1) set out at (a) above provided that the offsetting deposit: <ul style="list-style-type: none"> (i) is denominated in the base currency of the Portfolio; and (ii) equals or exceeds the value of the foreign currency loan outstanding.

Distribution Policy

It is not envisaged that any net income or gains derived from its investments will be distributed. This does not preclude the Directors from declaring a distribution at any time in the future if they consider it appropriate to do so, in which case notice will be given to Unitholders entitled thereto. In the event that a distribution is declared and remains unclaimed after a period of six years from the date of declaration, such distribution will be forfeited and will revert to the relevant Portfolio. To the extent that a distribution may be declared, it may be paid from net income and realised and unrealised capital gains less realised and unrealised capital losses in compliance with any applicable laws.

Any declared distribution will be made by bank transfer only to the Unitholders' designated bank accounts at their risk and expense.

RISK FACTORS

Potential investors should consider the following risks before investing in any of the Portfolios.

In addition to the risks set out below, particular risks specific to a particular Portfolio will be set out in the relevant Supplement to this Prospectus.

General

An investment in a Portfolio should be viewed as a medium to long term investment.

Political and/or Regulatory Risks

The value of a Portfolio'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. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in certain countries in which investment may be made may not provide the same degree of investor protection or information to investors as would generally apply in major securities markets.

Concentration of Investments

Although it will be the policy of the Investment Advisor to diversify the Portfolios, they may at certain times be comprised of relatively few investments. Such Portfolios could be subject to significant losses if they hold large positions in a particular investment that declines in value or is otherwise adversely affected, including default of the issuer. Additionally, historical correlations may undergo dramatic change, thereby reducing expected diversification protection.

Foreign Exchange/Currency Risk

Although Units in a Portfolio may be denominated in the Base Currency of the Portfolio, the Portfolio may invest in assets denominated in a wide range of currencies, some of which may not be freely convertible. The Net Asset Value of the Portfolio as expressed in the Base Currency of the Portfolio will fluctuate in accordance with the changes in the foreign exchange rate between the Base Currency of the Portfolio and the currencies in which the Portfolio's investments are denominated. The Portfolio may therefore be exposed to a foreign exchange/currency risk. The Investment Advisor may enter into hedging transactions at its sole discretion.

It may not be possible or practicable to hedge against the consequent foreign exchange/currency risk exposure, and the Investment Advisor may decide not to hedge a particular currency exposure.

Taxation

Potential investors' attention is drawn to the taxation risks associated with investing in a Portfolio. Further details are given under the heading "TAXATION" below.

Valuation Risk

Where the Investment Advisor, at the request of the Manager, values investments which are not listed, quoted or dealt in on a exchange or market, there is an inherent conflict of interest between the involvement of the Investment Advisor in determining the valuation price of the Portfolio's investments and the Investment Advisor's other responsibilities.

International Financial Reporting Standards

The Fund's financial statements are prepared in accordance with International Financial Reporting Standards which do not permit the amortisation of organisational expenses. Notwithstanding this, the Manager may, at the discretion of its Directors, amortise the Fund's organisational expenses over a period of time and if it does so, the financial statements may be qualified in this regard.

MANAGEMENT OF THE FUND

The Manager is a private company limited by shares and was incorporated in Ireland on 17th May 2005. The Manager, which has an authorised share capital of Euro 1,000,000 with an issued and paid up share capital of Euro 125,000 is a wholly owned subsidiary of Swiss Capital Alternative Investments AG, and is authorised by the Financial Regulator.

Under the Trust Deed, the Manager is responsible for the general management and administration of the Fund's affairs including the investment and re-investment of each Portfolio's assets adhering to the investment objective and policies of each Portfolio. However, the Manager has appointed the Investment Advisor to advise and assist with the investment and re-investment of the assets of the Portfolios. The Manager shall not be held liable for any actions, costs, charges, losses, damages or expenses arising as a result of the acts or omissions of the Investment Advisor or for its own acts or omissions in bona fide following the advice or recommendations of the Investment Advisor. The Manager shall be indemnified out of the assets of the Fund for any actions, costs, charges, losses, damages and expenses arising as a result of its reliance on any recommendation or advice of the Investment Advisor (other than by reason of the Manager's bad faith, negligence, wilful default or fraud) in the performance of its duties.

The Directors of the Manager are:

John L. Loveridge was the Managing Director of Mourant Guernsey Limited, a fund administration company wholly owned by Mourant Ltd., the Jersey legal and specialist administration firm, before retiring in 2004. He previously held senior positions with Guernsey International Fund Managers (Barings) and was Managing Director of Butterfield Fund Managers in Guernsey and in Grand Cayman. During his thirty years in the fund industry, he has gained extensive experience in the administration and valuation of traditional funds (including funds for institutional investors, small investors, private equity and fund of funds) and alternative funds for a world-wide client base.

Marcel Schindler is a Swiss national. He graduated from the University of Zurich in 1993 with a Bachelor's Degree in Business Administration. From 1986 to 1988 he undertook a two-year internship in UBS, Zurich. In 1994, Mr Schindler joined Arthur Andersen in Zurich, where he qualified as a Chartered Accountant. In 1999, he joined BT&T Asset Management as its Chief Financial Officer, where he remained until 2004, when he joined Swiss Capital Alternative Investments AG as Chief Operating Officer and Partner.

Hans-Jörg Baumann is a Swiss national. He graduated from the University of Zurich in 1985 with a Masters in Business Administration. Mr. Baumann joined Union Bank of Switzerland Zurich in 1985 as a capital market and derivatives specialist. In 1991 he moved to UBS Geneva as Head of the Stock Exchange Department. In 1993 he returned to UBS Zurich to assume the role of Head of Trading and Sales Fixed Income and Foreign Exchange. In 1996 his role was expanded to Head of Trading and Sales Switzerland including equity, fixed income, foreign exchange and commodities. He was a Member of the Board of the Swiss Stock Exchange. In 1998 he left UBS Zurich to co-found Swiss Capital Alternative Investments AG, of which he is currently a Partner.

Philipp Weibel is a Swiss national. He graduated from the University of St. Gallen in 1990 with a Masters in Business Administration. Mr Weibel joined Union Bank of Switzerland,

Zurich in 1996 in the Trading and Sales and Risk Management Services departments, following three years in Swatch Bienne, where he was a Logistics Project Manager. He joined Swiss Capital in September 1998 and is currently Chief Financial Officer.

David Shubotham is an Irish national. Mr Shubotham has been a main board director of J&E Davy (an Irish stockbroking firm) since 1975 and is Chief Executive of Davy International, a company operating in the International Financial Services Centre, Dublin, Ireland. He has worked with Davy Stockbrokers for 20 years. He is a qualified accountant and graduated with a Bachelor of Commerce degree from University College Dublin in 1969.

Mark Thorne is an Irish national. Mark Thorne (born 1970) is Managing Partner of Dillon Eustace, Solicitors, one of Ireland's leading law firms. He has worked extensively in the area of international financial services, investment and fund management and was seconded for a time as in-house legal officer to Northern Trust International Fund Administration Services (Ireland) Limited (formerly International Fund Managers (Ireland) Limited). Mr. Thorne, who is Irish, has been with Dillon Eustace since its inception in 1992, became a partner in 1999 and holds a Bachelor of Civil Law degree from University College Dublin.

None of the Directors have had any convictions in relation to indictable offences, been involved in any bankruptcies, individual voluntary arrangements, receiverships, compulsory liquidations, creditors' voluntary liquidations, administrations, company or partnership voluntary arrangements, any composition or arrangements with creditors generally or any class of creditors of any company where they were a director or partner with an executive function, nor have any had any public criticisms by statutory or regulatory authorities (including recognised professional bodies) nor has any Director ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

The address of the Directors of the Manager, who are all non-executive Directors, is the registered office of the Manager, IFSC House, International Financial Services Centre, Dublin 1, Ireland. The Secretary of the Manager is Northern Trust International Fund Administration Services (Ireland) Limited.

The Manager also manages Swiss Capital Non-Traditional Funds, Swiss Capital Pro Non-Traditional Funds and Swiss Capital SHF Non-Traditional Funds.

The Trust Deed contains provisions governing the responsibilities of the Manager and providing for its indemnification in certain circumstances subject to the exclusions of the Manager's bad faith, negligence, wilful default or fraud or failure to comply with its obligations as set out in the Trust Deed and subject to the provisions of the Act.

Investment Committee

The Manager shall be entitled from time to time to constitute an Investment Committee to provide the Fund with strategic advice and analysis in connection with its investment management. The number of persons constituting the Investment Committee, each of whom shall be appointed by and who can be removed or substituted by the Manager from time to time, shall be not less than two. Any fees or expenses of the Investment Committee shall be borne by the Manager and shall not be charged to the Fund.

The members of the Investment Committee may include directors of the Manager, senior management of the Risk Advisor and shall otherwise be as specified in the relevant Supplement.

Investment Advisor

The Manager shall appoint one or more investment advisors to manage and/or advise it in relation to the management of, the assets of the Portfolios. The name of any such Investment Advisor shall be set out in the relevant Supplement.

Risk Advisor

The Manager shall appoint one or more risk advisors to advise it in relation to the management of, the assets of the Portfolios. The name of any such Risk Advisor shall be set out in the relevant Supplement.

Administrator

Northern Trust International Fund Administration Services (Ireland) Limited (the “Administrator”) has been appointed by the Manager under an administration agreement dated 6 July, 2006. The Administrator is a private limited liability company incorporated in Ireland on 15 June 1990 and, like the Trustee, is a wholly-owned subsidiary of Northern Trust GFS Holdings Limited which in turn is wholly owned by Northern Trust Corporation. Northern Trust Corporation and its subsidiaries comprise the Northern Trust Group, one of the world’s leading providers of global custody and administration services to institutional and personal investors. As at 31 December, 2005 the Northern Trust Group’s assets under custody and administration totalled in excess of US\$2.9 trillion.

The administration duties and functions of the Administrator will include, inter alia, the calculation and publication of the Net Asset Value, the provision of facilities for the confirmation and registration of Units, the keeping of all relevant records and accounts of the Fund and assisting with compliance by the Fund with the reporting requirements of the Financial Regulator.

Trustee

Northern Trust Fiduciary Services (Ireland) Limited has been appointed as trustee pursuant to the terms of the Trust Deed. The Trustee is a private limited liability company incorporated in Ireland on 5 July 1990. Its main activity is the provision of custodial services to collective investment schemes. The Trustee is a wholly-owned subsidiary of Northern Trust GFS Holdings Limited which is in turn wholly owned by Northern Trust Corporation. Northern Trust Corporation and its subsidiaries comprise the Northern Trust Group, one of the world’s leading providers of global custody and administration services to institutional and personal investors. As at 31 December, 2005 the Northern Trust Group’s assets under custody and administration totalled in excess of US\$2.9 trillion. As at 28 February, 2006 the Trustee had approximately GBP£12 billion of assets under custody.

The Trustee is obliged, inter alia, to keep all the assets of the Fund in safe-keeping and must exercise due care and diligence in the discharge of its duties and will be liable to the

Manager and the Unitholders for any loss arising from negligence, fraud, bad faith, wilful default or recklessness in the performance of those duties

The Trust Deed contains indemnification provisions in favour of the Trustee save in cases of the Trustee's negligence, wilful default, fraud, bad faith or recklessness

The Trustee, in performing its duties, may hold securities through Euroclear, Clearstream or any similar clearing system and shall have full power to delegate the whole or any part of its custodial functions (other than the duties described as trustee duties in the applicable Notices from time to time issued by the Financial Regulator) to any person, firm or company provided that the liability of the Trustee will not be affected by the fact that it has entrusted to a third party some or all of the investments in its safekeeping. The Trustee will discharge this responsibility by exercising care and diligence in choosing and appointing a third party as a safe-keeping agent so as to ensure that the third party has and maintains the expertise, competence and standing appropriate to discharge the responsibilities concerned. The Trustee shall also maintain an appropriate level of supervision over the safe-keeping agent and make appropriate enquiries from time to time to confirm that the obligations of the agent continue to be competently discharged. In addition, the Trustee is also obliged to ensure, inter alia, that the issue and repurchase of Units and the application of income are all carried out in accordance with the Act and the Trust Deed of the Fund. The Trustee will also be obliged to enquire into the conduct of the Fund in each financial year and to report thereon to the Unitholders. The Trustee's report shall be delivered to the Manager in good time to enable the Directors to include a copy of the report in the annual report of the Fund. The Trustee's report shall state whether in the Trustee's opinion the Fund has been managed in all material respects in that period:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the Fund by the Trust Deed and by the Financial Regulator under the powers granted to it by the Act; and
- (ii) otherwise in accordance with the provisions of the Trust Deed and the Act.

If the Manager has not complied with (i) or (ii) above, the Trustee must state why this is the case and outline the steps which the Trustee has taken to rectify the situation.

Dealings by Manager, Investment Advisor, Risk Advisor, Trustee and Administrator

There is no prohibition on dealings in the assets of a Portfolio by the Manager, the Investment Advisor, the Risk Advisor, the Trustee, Administrator or entities related to the Manager, Investment Advisor, the Risk Advisor, Trustee, Administrator or to their respective officers, directors or executives as principals, provided that the transaction is effected as if carried out on normal commercial terms negotiated at arm's length, is consistent with the best interests of the Unitholders, and is effected in accordance with (i), (ii) or (iii) below;

- (i) a person approved by the Trustee (or the Manager in the case of transactions involving the Trustee) as independent and competent certifies the price at which the transaction is effected is fair; or
- (ii) the execution of the transaction is on the best terms reasonably obtainable on organised investment exchanges under their rules; and

- (iii) where the conditions set out in (i) or (ii) above are not practical, the transaction is executed on terms which the Trustee (or the Manager in the case of transactions involving the Trustee) is satisfied are normal commercial terms negotiated at arm's length, and is consistent with the best interest of Unitholders.

Conflicts of Interest

The Manager, Investment Advisor, the Risk Advisor, the Investment Committee, Trustee, Administrator and their respective affiliates, officers and shareholders (collectively the "Parties") are or may be involved in other financial, investment and professional activities which may on occasion cause conflict of interest with the management of a Portfolio. These include management of other funds, purchases and sales of assets, investment management services, trustee and custodial services and serving as directors, officers, advisers or agents of other funds or other companies, including companies in which the Portfolio may invest. In particular, it is envisaged that the Investment Advisor, the Risk Advisor and certain members of the Investment Committee may be involved in managing or advising on the investments of other investment funds which may have similar or overlapping investment objectives to or with one or more of the Portfolios. In addition, the Investment Advisor and/or Risk Advisor may be involved in the valuation of the Fund's assets. The fees of the Manager increase as the Net Asset Value of the Portfolios that it manages increase. Each of the Parties will respectively ensure that the performance of their respective duties will not be impaired by any such involvement that they might have. When allocating investment opportunities, the Investment Adviser will ensure that all such investments will be allocated in a fair and equitable manner. In the event that a conflict of interest does arise, the Directors of the Manager shall endeavour to ensure that it is resolved fairly and in the interests of Unitholders.

The Parties may engage in transactions with a Portfolio where any one or more of the Parties is acting in the capacity as broker, intermediary, principal, or counterparty provided that such transactions are carried out on terms similar to those which would apply in a like transaction between parties not connected with the Parties or any one of them and that such transactions are consistent with the best interests of Unitholders and are effected in accordance with (i), (ii) or (iii) above under the heading "**Dealings by Manager, Investment Advisor, Risk Advisor, Trustee and Administrator**".

Marcel Schindler and Hans-Jorg Baumann are Directors of the Manager and are also Partners and principals of the Risk Advisor. The Manager and the Risk Advisor are affiliated entities. In addition, Mark Thorne is a partner at Dillon Eustace, the Fund's Irish legal advisors.

ADMINISTRATION OF THE FUND

Description of Units

The Units, which are of no par value and which must be fully paid for upon issue, carry no preferential or pre-emptive rights. All Units will be issued in registered form and Units that have been issued shall be represented by entry in the register of Unitholders of the relevant Portfolio. Units may be issued in different Classes, the entitlements of which will be set out in the relevant Supplement.

Issue of Units

Units and Classes

The Units and Classes issued in respect of each Portfolio will be set out in the relevant Supplement.

Initial Issue

Units may be subscribed for during the Initial Offer Period at the Initial Issue Price per Unit. The Initial Offer Period and the Initial Issue Price per Unit of any Portfolio shall be specified in the relevant Supplement. The Manager may apply a preliminary charge in respect of Units of a Portfolio, details of which will be disclosed in the relevant Supplement for that Portfolio.

Investors must initially subscribe for not less than the Minimum Initial Subscription.

The Manager shall, in its absolute discretion, be entitled to determine that Units will not be issued and that all subscription monies will be returned (without interest) if subscriptions totalling in the aggregate not less than the Minimum Viable Amount as specified from time to time by the Manager in respect of each Portfolio and set out in the relevant Supplement are not received by the end of the Initial Offer Period.

Subsequent Issues

Following the close of the Initial Offer Period, Units will be available for subscription at the Subscription Price, which will be the Net Asset Value per Unit of the relevant Class or the prevailing Net Asset Value per Unit on each Subscription Date. No preliminary or subscription charge will be applied unless in respect of a particular Portfolio one is specified in the relevant Supplement. The Net Asset Value per Unit will be calculated as of the Valuation Point immediately preceding the relevant Subscription Date.

Where the amount subscribed is not equivalent to an exact number of Units, fractions of Units will be issued, rounded in accordance with a rounding methodology deemed to be appropriate by the Investment Advisor and the Administrator, to three decimal places.

Procedure

Any person applying for Units of a Portfolio shall complete an application form in such form as the Manager may from time to time prescribe and shall comply with such conditions as may be prescribed by the Manager. Initial applications for subscriptions of Units should be made to the Administrator by completing an application form in such form as the Manager

may from time to time prescribe, a signed original of which should be delivered to the Administrator.

Application forms should be sent to the Administrator so as to be received by the Administrator no later than the Subscription Deadline. Cleared funds in respect of the subscription moneys must be received for the account of the relevant Portfolio no later than 5 p.m. (Irish time) on the last day of the Initial Offer Period, or, in respect of subsequent subscriptions, on the Subscription Deadline. If there is sufficient proof of a failure in the banking system to ensure receipt of funds by the above deadline, the Manager has discretion to extend such deadlines until 5.00 p.m. (Irish time) on the relevant Subscription Date. Any subscription application received after the Subscription Deadline shall be deemed to be made in respect of the Subscription Date next following the relevant Subscription Date (except in the case of a failure in the banking system as outlined above). If all the relevant original documentation (including anti-money laundering documentation) and/or subscription moneys is/are not received by these times, the application will be held over until the next Subscription Date and Units will then be issued at the relevant Net Asset Value per Unit on that Subscription Date.

Completed applications, once received by the Administrator, shall be irrevocable. Applicants will have Units registered in their name(s) in the register of Unitholders and the written confirmations of ownership in respect of the Units will be dispatched to the Unitholders by post or in the case of joint Unitholders to the first-named Unitholder on the register normally within 18 Business Days of the relevant Subscription Date.

Units shall not be issued to any new investor in the Fund where such Units together with all other Units which the investor may have applied to purchase on that Subscription Date have an aggregate value less than the Minimum Initial Subscription.

The Manager, may at its discretion, instruct the Administrator to reject any application for such Units in whole or in part in which event the application monies or any balance thereof will be returned, normally in the denominated currency of the relevant Class, to the applicant by transfer to the applicants designated account at the applicant's sole risk and expense.

The Administrator may upon instruction from the Manager, accept payment for Units in any Portfolio by a transfer *in specie* of assets, the nature of which shall be within the investment policy and restrictions of the Portfolio and the value of which shall be determined by the Administrator, having consulted with the Investment Advisor, in accordance with the valuation principles governing such Portfolio and applicable law. Any prospective investor wishing to subscribe for Units by a transfer *in specie* of assets will be required to comply with any administrative and other arrangements for the transfer specified by the Trustee and the Administrator. Investments must be consistent with the investment objective and policies of the relevant Portfolios. Any *in specie* transfer will be at the investor's risk and the costs of such a transfer will be borne by the investor. Units will not be issued until the investments have been vested in the Trustee to its satisfaction and the number of Units to be issued will not exceed the amount that would be issued if cash equivalent of such investments had been invested.

All the Units are registered Units. A Unitholder's entitlement will be evidenced by an entry in the Fund's register of Unitholders and not by a Unit certificate. A Unit may be registered in a single name or in up to four joint names. Where Units are registered in joint names, a

joint holder will be required to authorise the Administrator to act upon the sole written instructions of any one of the joint holders in respect of the transfer or redemption of all or any of those Units. The register of Unitholders will be available for inspection by Unitholders at the office of the Administrator during normal business hours.

The Manager reserves the right from time to time to resolve to close any Class of Unit to new subscriptions, either for a specified period or until they otherwise determine. Unitholders will be notified of any such closure. During any such period Units of that Class will not be available for subscription.

Anti-Money Laundering Procedures

Measures aimed towards the prevention of money laundering will require a detailed verification of the applicant's identity, address and of the source of the subscription monies. Depending on the circumstances of each application, a detailed verification of sources of funds might not be required where (i) the applicant is a regulated financial institution or (ii) the application is made through a regulated financial intermediary. These exceptions will only apply if the financial institution or intermediary referred to above are within a country recognised by Ireland as having equivalent anti-money laundering regulations.

An individual will be required to produce a copy of a passport or identification card duly certified, together with two items of evidence of his/her address such as a utility bill or bank statement (but not a mobile telephone bill), that is no more than three months old, and date of birth. In the case of corporate applicants this may require production of a certified copy of the certificate of incorporation (and any change of name), a certificate of good standing (or equivalent), memorandum and articles of association (or equivalent), the names, occupations, dates of birth and residential and business addresses of all directors. Verification requirements applicable to individuals may also apply to directors of such corporate applicants. In addition verification requirements may apply to substantial shareholders in such corporate applicants.

The Administrator reserves the right to request such information as is necessary to verify the identity of an applicant or the source of the subscription monies. In the event of delay or failure by the applicant to produce any information required for verification purposes, the Administrator may refuse to accept the application and subscription monies or may refuse to settle redemption proceeds.

Each applicant for Units will be required to make such representations as may be required by the Administrator in connection with anti-money laundering programmes, including, without limitation, representations that such applicant is not a prohibited individual or entity or resident in a prohibited country or territory listed on the United States Department of Treasury's Office of Foreign Assets Control ("OFAC") website (www.treas.gov/ofac) and that it is not directly or indirectly affiliated with any country, territory, individual or entity named on an OFAC list or prohibited by an OFAC sanctions programmes. Each applicant will also be required to represent that subscription monies are not directly or indirectly derived from activities that may contravene United States federal or state, or international, laws and regulations, including anti-money laundering laws and regulations.

Settlement Details

Details of settlement for subscriptions for Units are given in the application form. Unless otherwise agreed to by the Manager, the settlement details as outlined therein will apply. Settlement for subscriptions for Units is in all cases due by the settlement deadline set out in the application form.

The Manager may reject at its discretion any application for Units in whole or in part where the application monies or any balance thereof is not received by the settlement deadline as outlined above. In addition the Manager reserves the rights to cancel any allotment where cleared funds are not received by the settlement deadline and to charge the applicant for losses accruing.

Transfer of Units

A transfer of Units will not be considered unless the transferee, if not an existing Unitholder, has completed an application form, together with all required supporting documentation to the satisfaction of the Manager or its delegate. Furthermore, the Manager and the Administrator reserve the right to request such information as is necessary to verify the identity of the transferee and to request such representations and warranties as may appear to the Manager or the Administrator as appropriate. The transferee shall be required, prior to the registration of the transfer, to complete the relevant declaration in the application form of the time being and also to provide all necessary identification documentation as set out under "Anti-Money Laundering Procedures" above. In addition, at the discretion of the Manager, without prejudice to the generality of the foregoing, no transfer of all or part of a holding of such Units shall be so registered if;

- (a) such transferee would have a holding of Units less than the Minimum Holding;
- (b) such transferee is a U.S. Person except in accordance with an applicable exemption from the registration requirements of applicable US requirements;
- (c) any payment of taxation remains outstanding;
- (d) such transfer will cause any assets any Portfolios of the Fund to be "plan assets" for the purposes of ERISA.

Every instrument of transfer must be signed by the transferor and the transferor shall be deemed to remain the holder of the Units intended to be transferred until the name of the transferee is entered in the relevant register in respect thereof. The instrument of transfer need not be a deed and must be accompanied by such certificates as to the qualification of the transferee as required by the Manager or the Administrator.

Compulsory Repurchases and Transfers

If it shall come to the notice of the Manager or if the Manager shall have reason to believe that any Units are owned directly or beneficially by:-

- (a) any person in breach of any law or requirement of any country or governmental authority or by virtue of which such person is not qualified to hold such Units; or
- (b) any person or person holding a number of Units less than the Minimum Holding; or

- (c) any person or persons in circumstances (whether directly or indirectly affecting such person or persons and whether taken alone or in conjunction with any other person or persons whether connected or not, or any other circumstances appearing to the Manager to be relevant) which in the opinion of the Manager might result in a Portfolio incurring any liability to taxation or suffering pecuniary disadvantages which such Portfolio might not otherwise have incurred or suffered;
- (d) any person where such ownership will cause any assets of any Portfolio of the Fund to be "plan assets" for the purposes of ERISA; or
- (e) a U.S. Person except in accordance with an applicable exemption from the registration requirements of applicable US requirements.

the Manager shall be entitled, at its discretion, to give that person notice to transfer his Units to a person who does not fall under paragraphs (a) to (e) above. If that person does not within 14 days thereafter transfer or redeem his Units he shall be deemed to have requested the Manager to purchase his Units, and the Manager will be appointed as the attorney of such person to sign and complete any documents required to effect the repurchase.

Repurchase of Units

The Manager will at any time during the term of a Portfolio on receipt by it or by the Administrator of a request in writing by a Unitholder in such Portfolio, repurchase from such Unitholder on any Redemption Date all or any part of his holding of Units at a price per Unit calculated by reference to the Net Asset Value per Unit for the relevant Class of the Portfolio. The charge for redemptions, if any, shall be specified in the relevant Supplement in respect of a particular Portfolio. Redemptions may be made upon such prior written notice to the Administrator as shall be specified in the relevant Supplement in respect of a particular Portfolio.

Original repurchase requests must be received by the Administrator prior to the relevant Redemption Deadline. Facsimile requests will not be processed without forwarding the original repurchase request to the Administrator. Any repurchase requests received after this time shall be deemed to be made in respect of the Redemption Date next following such relevant Redemption Date. Unitholders wishing to amend their details must do so by way of letter delivered by hand, mail or courier before a redemption will be paid.

The repurchase price payable to the Unitholder(s) will be paid in the denominated currency of the relevant Class by telegraphic transfer to the bank account of the Unitholder(s) as specified in the application form (subject to receipt of all original documentation including anti-money laundering documentation) at the risk and expense of the Unitholder(s) normally within 5 Business Days of the relevant Redemption Date and in any event no later than 30 calendar days after the relevant Redemption Deadline. No third party payments will be made.

Any such repurchase will be made on a Redemption Date at a price equal to the Net Asset Value per Unit of the relevant Class, as of the relevant Valuation Point.

Where a request to repurchase would result in a Unitholder holding Units with an aggregate value less than the Minimum Holding, the Manager may deem the request to be a request to repurchase all of the Unitholder's Units in that Portfolio.

If the number of Units of a Portfolio falling to be repurchased on any Redemption Date is greater than or equal to one tenth (10%) or more of the total number of Units of that Portfolio in issue or deemed to be in issue on such Redemption Date, then the Manager may in its discretion refuse to repurchase any Units in that Portfolio in excess of one tenth (10%) of the total number of Units of that Portfolio in issue or deemed to be in issue as aforesaid and, if the Manager so refuses, the requests for repurchase of Units in that Portfolio on such Redemption Date shall be reduced rateably and the Units in that Portfolio to which each request relates which are not repurchased by reason of such refusal shall be treated as if a request for repurchase had been made in respect of each subsequent Redemption Date until all the Units in that Portfolio to which the original request related have been repurchased. Requests for repurchase which have been carried forward from an earlier Redemption Date shall (subject always to the foregoing limits) be complied with in priority to later requests.

Switching of Units

Subject to the Minimum Initial Subscription and Minimum Holding requirements of the relevant Portfolio or Classes, Unitholders will be entitled to exchange Units of one Class in one Portfolio (the "original Class") for Units in any other Class of the same Portfolio then in existence or agreed to be brought into existence (the "new Class"). Unitholders will be entitled to exchange Units of one Portfolio (the "original Portfolio") for Units in any other Portfolio then in existence or agreed to be brought into existence (the "new Portfolio"). Unitholders will only be entitled to exchange Units on a Subscription Date. All conversion requests must be received by letter or by facsimile, by the Administrator no later than the Subscription Deadline. Any conversion requests received after the time aforesaid shall be deemed to be made in respect of the Subscription Date next following the relevant Subscription Date.

Instructions for the conversion of Units must specify the number or value and the Class of Units (and of which Portfolio) to be converted, the Class of Units (and of which Portfolio) into which they are to be converted and should quote the relevant Unitholder number. The Administrator will be deemed to be authorised to make such conversion if instructed to do so by any person purporting to be the Unitholder and reciting the relevant Unitholder number.

The Manager may at its absolute discretion accept conversion requests after the deadlines stated herein if the Manager can be provided with sufficient proof that the ultimate investor submitted the necessary documents within the deadlines. The Manager or its delegate may reject at its discretion any application for the switching of Units without giving any reason for such rejection.

Where a conversion request would result in a Unitholder holding a number of Units of either the original Portfolio or the new Portfolio which would be less than the Minimum Holding for the relevant Portfolio, the Manager or its delegate may, if it thinks fit, convert the whole of the holding in the original Portfolio to Units in the new Portfolio or refuse to effect any conversion from the original Portfolio.

The conversion will be effected at the Net Asset Value of Units in the relevant Portfolios in accordance (or nearly as may be in accordance) with the formula:

$$NU = \{OU \times (RP \times CF)\} \div SP$$

where:-

- NU* is the number of Units of the new Portfolio to be allotted;
- OU* is the aggregate number of Units of the original Portfolio to be converted comprised in the conversion notice;
- RP* is the Net Asset Value per Unit of the original Class of the original Portfolio on the relevant Subscription Date;
- CF* is the currency conversion factor determined by the Manager on the relevant Subscription Date as representing the effective rate of exchange applicable between the currencies of designation of the relevant Classes of Units; and
- SP* is the Net Asset Value per Unit for the new Class (or the new Class of the new Portfolio) on the relevant Subscription Date plus any initial charge payable thereon.

Confirmations confirming the conversion between the Classes and/or the Portfolios will be issued.

The Unitholder will bear any costs incurred in translating the redemption proceeds of the holding of the original Portfolio into the appropriate currency for the payment for the holding in the new Portfolio, where the original and new Classes of Units have different designated currencies.

Upon any such switch, the Administrator shall amend the relevant registers accordingly.

Tax Liability of the Fund

If the Fund becomes liable to account for tax in any jurisdiction in the event that a Unitholder or beneficial owner of a Unit were to receive a distribution in respect of his/her Units or to dispose (or deemed to have disposed) of his/her Units in any way ("Chargeable Event"), the Manager shall be entitled to deduct from the payment arising on a Chargeable Event an amount equal to the appropriate tax and/or where applicable, to appropriate, cancel or compulsorily repurchase such number of Units held by the Unitholder or such beneficial owner as are required to meet the amount of tax. The relevant Unitholder shall indemnify and keep the Fund indemnified against loss arising to the Fund by reason of the Fund becoming liable to account for tax in any jurisdiction on the happening of a Chargeable Event if no such deduction, appropriation, cancellation or compulsory repurchase has been made.

Calculation of Net Asset Value

The Net Asset Value of a Portfolio shall be expressed in the Base Currency of the relevant Portfolio and shall be calculated as of the Valuation Point for the relevant Subscription Date or Redemption Date by ascertaining the value of the assets of the Portfolio as of such Valuation Point and deducting from such value the liabilities of the Portfolio as of such Valuation Point.

The increase or decrease in the Net Asset Value of a Portfolio over or under, as the case may be, the closing Net Asset Value of that Portfolio as at the Valuation Point for the immediately preceding Subscription Date or Redemption Date is then allocated between the different Classes of Units in that Portfolio based on their pro rata closing Net Asset Values on the immediately preceding Subscription Date or Redemption Date, as adjusted for subscriptions and redemptions executed at the prices calculated as at that immediately preceding Subscription Date or Redemption Date to determine the Net Asset Value of each Class. Each Net Asset Value of a Class is then divided by the number of Units in issue, respectively, at the relevant Valuation Point and then rounded to two decimal places to give the Net Asset Value per Unit.

Where there is more than one Class of Units in issue in a Portfolio, the Net Asset Value per Unit of each Class may be adjusted to reflect different entitlements, costs, fees or expenses (for example, the annual investment management fee) or liabilities attributable to different Classes, (including the gains/losses on and costs of financial instruments employed for currency hedging between the Base Currency of a Portfolio and a designated currency of a Class), shall be expressed in the designated currency of the relevant Class, and will be excluded from the initial calculation of the Net Asset Value of the Portfolio and applied separately to the Net Asset Value attributed to the relevant Class.

Due to the nature of the assets in which the Portfolios may invest, the prices of the underlying assets may not be available to the Fund on the Subscription Date or Redemption Date. In this event the valuations may be carried out in accordance with paragraph (f) below as at the Valuation Point. Although the Net Asset Value of each Portfolio and the Net Asset Value per Unit will be calculated as at the Valuation Point, the calculation may not be made until some time after the relevant Subscription Date or Redemption Date. Units of a Portfolio will only be issued and redeemed when the Net Asset Value for the relevant Portfolio is available.

The assets of a Portfolio will be valued as follows:-

- (a) any asset listed and regularly traded on a regulated stock exchange or market and for which market quotations are readily available shall be valued at the last traded price at the relevant Valuation Point, provided that the value of any investment listed on a regulated stock exchange or market but acquired or traded at a premium or at a discount outside or off the relevant regulated stock exchange or market or on an over-the-counter market, shall be valued taking into account the level of premium or discount as of the date of valuation of the investment and subject to approval of the Trustee;
- (b) if an asset is listed on several regulated stock exchanges or markets, the last traded price at the relevant Valuation Point on the stock exchange or market

which in the opinion of the Manager constitutes the main market for such assets will be used;

- (c) the assets of a Portfolio which are not listed or which are listed but in respect of which prices are not available or in respect of which the last traded price does not in the opinion of the Manager represent fair market value shall be valued at their probable realisation value estimated with care in good faith by a competent person, firm or corporation (including the Investment Advisor) selected by the Manager and approved for the purpose by the Trustee;
- (d) derivative instruments (including but not limited to futures and options) dealt in or traded on an exchange or market shall be valued at the relevant settlement price as determined by the market. If such a price is not available the value of such investments shall be the probable realisation value estimated with care and in good faith by a competent person selected by the Manager and approved for the purpose by the Trustee. Derivative instruments which are not dealt in or traded on an exchange or market will be valued at the latest weekly valuation obtained from the counterparty to the transaction provided that the valuation is approved or verified at least monthly by an independent party (who must be independent of the relevant counterparty), who may be the Investment Advisor or a party selected for such purpose by the Manager each approved for the purpose by the Trustee. Over-the-counter derivatives will be valued weekly by the counterparty and verified monthly by a party independent of the counterparty, who may be the Investment Advisor, who shall be appointed by the Manager and approved for this purpose by the Trustee;
- (e) Forward foreign exchange contracts shall be valued with reference to the prevailing market maker quotations as at the relevant Valuation Point, namely the price at which a new forward contract of the same size and maturity could be undertaken or, if unavailable, at the latest weekly settlement price provided by the counterparty provided that the valuation is approved or verified at least monthly by an independent party (who must be independent of the relevant counterparty and who may be the Investment Advisor) or by a party selected for such purpose by the Manager each approved for the purpose by the Trustee;
- (f) Notwithstanding, paragraph (a) above units in collective investment schemes shall be valued by reference to the latest available net asset value of the units of the relevant collective investment scheme. If the net asset value is unavailable, the probable realisation value will be used which will be estimated with care in good faith by the Manager or its delegate or a competent professional person, such valuer to be approved for the purpose by the Manager and the Trustee. In the event that such probable realisation value is used the Net Asset Value of the relevant Portfolio that is arrived at will be final and conclusive notwithstanding any subsequent variation in the net asset value per unit in the collective investment scheme;
- (g) assets and liabilities denominated in a currency other than in the Base Currency (or the designated currency of the relevant Class) of the relevant

Portfolio shall be converted into that Base Currency (or the designated currency of the relevant Class) at the rate (whether official or otherwise) which is available to the Administrator or otherwise as the Manager deems appropriate in the circumstances; and

- (h) cash and other liquid assets shall be valued at their nominal value plus accrued interest.
- (i) notwithstanding the provisions of paragraphs (a) to (h) above:-
 - (1) the Manager may, at its discretion in relation to any Portfolio which is a money market type Portfolio, value bonds, commercial paper, floating rate notes or similar instruments on the basis of amortised cost. In such case, all securities (other than floating rate notes) shall have a residual maturity of 15 months or under. In order to apply the amortised cost basis of valuation to any floating rate note, the following shall apply:-
 - (i) the Manager must determine that the floating rate note has a market value that approximates its amortised cost valuation;
 - (ii) the floating rate note has an annual or shorter interval coupon/interest rate re-fix; and
 - (iii) the floating rate note has a residual maturity, measured to the date on which the issuer must unconditionally repay the principal amount to the Portfolio on foot of either maturity, put option or other repayment demand feature, of 2 years or less

Provided that the Administrator will carry out a weekly review of discrepancies between the market value of the Portfolio and the value based on the amortised cost basis of valuation. If any weekly review indicates a deviation between the amortised method of valuation and the current market value of investments which exceeds 0.3% of the Net Asset Value per Unit calculated using the amortised cost method of valuation, the Administrator shall cause a review of deviations between the amortised method of valuation and the current market value of investments to take place on a daily basis until such deviation no longer exceeds 0.3% as aforesaid. If the market value of the Portfolio is 0.5% more or less than the value based on the amortised cost basis of valuation, the Administrator will take remedial action to ensure that the discrepancy is less than 0.5% and will ensure that all procedures and reviews are clearly documented.

- (2) the Manager, may at its discretion, in relation to any particular Portfolio which is not a money market type Portfolio but which invests in money market type instruments, value bonds, commercial paper, floating rate notes or similar instruments on the basis of amortised cost provided that all securities being valued using the amortised cost basis of valuation shall have maturities of 6 months or under.

- (3) Floating rate notes of high credit quality and having residual maturity of between 2 and 5 years may be valued using the amortised cost method. The Manager shall monitor the value of such floating rate notes using the amortised cost basis of valuation to ensure that the valuation of the floating rate note (as calculated by the amortised cost basis of the valuation) does not deviate to a significant degree from its true market value. In particular, the Manager shall utilise the market value if the market value of a particular floating rate note deviates by more than 1% from the amortised cost valuation.

Notwithstanding the valuation rules set out in paragraphs (a) to (i) the valuation of a specific asset may be carried out under an alternative method of valuation if the Manager deems it necessary. The alternative method of valuation will be approved by the Trustee and the rationale/methodologies used will be clearly documented.

Prices from independent brokers in respect of investments traded on an over-the-counter market and/or premiums or discounts thereon shall be obtained by the Investment Advisor and furnished to the Manager or the Administrator. The Manager, with the approval of the Trustee, may adjust the value of such investments if it considers that such adjustment is required to reflect the fair value thereof, in the context of currency, marketability, dealing costs and such other considerations which are deemed relevant.

The Manager, in consultation with the Investment Advisor, may adjust or may instruct the Administrator to adjust the value of any assets if, in relation to currency, marketability, dealing costs and such other considerations as they deem relevant, they consider that such adjustment is required to reflect the fair value thereof.

In calculating the Net Asset Value, appropriate provisions will be made to account for the charges and fees charged to the Portfolio as well as accrued income on the Portfolio's investments.

None of the Directors, the Manager, the Administrator, the Trustee or the Investment Advisor shall have any liability in the event that any price or valuation, used in good faith in connection with the above procedures proves to be an incorrect or an inaccurate estimate or determination of the price or value of any part of any assets of the Fund or any Portfolio thereof.

Availability of Net Asset Value per Unit and Price of Units

Except where the determination of the Net Asset Value of a Portfolio, the Net Asset Value per Unit of each Class of a Portfolio and the issue and repurchase prices have been suspended in the circumstances described below, the Net Asset Value per Unit of each Class of a Portfolio and the issue and repurchase prices of the Units on each Subscription Date and Redemption Date will be available from the Administrator upon request and is published on the web-page www.swisscap.com. The latest Net Asset Value may also be obtained from the Investment Advisor and is updated monthly on Bloomberg. The Net Asset Value per Unit will also be notified immediately upon calculation by the Administrator to the Irish Stock Exchange.

Temporary Suspension of Calculation of Net Asset Value and Issue and Repurchase of Units

The Manager may temporarily suspend the calculation of the Net Asset Value of each or any Portfolio, the Net Asset Value per Unit of each Class of each such Portfolio and the issue and repurchase of Units to and from Unitholders when:-

- (a) a market which is the basis for the valuation of a major part of the assets of the relevant Portfolio is closed (except for the purposes of a public/bank holiday) or when trading on such a market is limited or suspended;
- (b) a political, economic, military, monetary or other emergency beyond the control, liability and influence of the Manager makes the disposal of the assets of the relevant Portfolio impossible or impracticable under normal conditions or such disposal would be detrimental to the interests of the Unitholders;
- (c) the disruption of any relevant communications network or any other reason makes it impossible or impracticable to determine the value of a major portion of the assets of the relevant Portfolio; or
- (d) the relevant Portfolio is unable to repatriate funds for the purpose of making payments on the repurchase of Units from Unitholders or making any transfer of funds involved in the realisation or acquisition of investments or when payments due on the repurchase of Units from Unitholders cannot in the opinion of the Manager be effected at normal rates of exchange; or
- (e) any period when proceeds of any sale or repurchase of Units cannot be transmitted to or from the account of the Portfolio; or
- (f) any other reason which makes it impossible or impracticable to determine the value of a substantial portion of the assets of a Portfolio of the Fund.

Where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

Any such suspension will be notified to the Financial Regulator immediately and in any event on the same Business Day on which such suspension shall have been declared, shall be notified to Unitholders if in the opinion of the Manager it is likely to exceed fourteen (14) days and will be notified to investors or Unitholders requesting issue or repurchase of Units by the Manager at the time of application for such issue or filing of the written request for such repurchase.

FEES AND EXPENSES

The annual fees of the Manager, Trustee, Administrator, the Investment Advisor and the Risk Advisor will be as set out in the relevant Supplement. Each Portfolio shall bear the reasonably incurred out of pocket expenses of each of them.

General

Pursuant to provisions contained in the Trust Deed, the Trustee shall be entitled to have recourse to a Portfolio for the purpose of indemnity against any action, costs, claims, damages, expenses or demands (other than those arising where the Trustee must exercise due care and diligence in the discharge of its duties and the Trustee will be liable to the Manager and the Unitholders for any loss arising from negligence, fraud, bad faith, wilful default or recklessness in the performance of those duties) to which it may be put as Trustee. The Manager is entitled to recover from a Portfolio the costs and expenses incurred by it in litigation by or on behalf of that Portfolio.

The costs and expenses of establishing each Portfolio will be set out in the relevant Supplement.

APPENDIX I

TAXATION

General

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

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

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

Irish Taxation

The Manager has been advised that on the basis that the Fund is resident in Ireland for taxation purposes, the taxation position of the Fund and the Unitholders is as set-out below.

The Fund

The Fund shall be regarded as resident in Ireland for tax purposes if the Trustee of the Fund is regarded as tax resident in Ireland. It is the intention of the Manager that the business of the Fund will be conducted in such a manner as to ensure that it is Irish resident for tax purposes.

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

However, tax can arise on the happening of a 'chargeable event' in the Fund. A chargeable event includes any distribution payments to Unitholders, or any encashment, redemption, cancellation, transfer or deemed disposal (a deemed disposal will occur at the expiration of a Relevant Period) of Units. No tax will arise on the Fund in respect of chargeable events in respect of a Unitholder who is neither Irish Resident nor Ordinarily Resident in Ireland at the time of the chargeable event provided that the Relevant Declaration is in place and the Fund is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct. In the absence of a Relevant Declaration, the investor will be deemed to be Irish Resident or Ordinarily Resident in Ireland. A chargeable event does not include:

- a) An exchange by a Unitholder, effected by way of an arms length bargain where no payment is made to the Unitholder, of Units in the Fund for other Units in the Fund;
- b) any transaction (which may otherwise be a chargeable event) in relation to units held in a recognised clearing system as designated by order of the Irish Revenue Commissioners;
- c) A transfer by a Unitholder of the entitlement to a Unit where the transfer is between spouses and former spouses, subject to certain conditions; or
- d) an exchange of Units arising on a qualifying amalgamation or reconstruction (within the meaning of Section 739H of the Taxes Act as amended) of the Fund with another investment undertaking.

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

Dividends received from investments in Irish equities may be subject to Irish dividend withholding tax at the standard rate of income tax (currently at the rate of 20%). However, the Fund can make a declaration to the payer confirming that it is a collective investment undertaking beneficially entitled to the dividends which will entitle the Fund to receive such dividends without the deduction of Irish dividend withholding tax.

No stamp duty is payable in Ireland on the issue, transfer, repurchase or redemption of Units in the Fund. Where any subscription for or redemption of Units is satisfied by the in specie transfer of securities, property or other types of assets, Irish stamp duty might arise on the transfer of such assets.

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

To the extent any Units are not held in a recognised clearing system at the time of a chargeable event, the following tax consequences will arise on a chargeable event.

Unitholders who are neither Irish Resident nor Ordinarily Resident in Ireland

The Fund will not have to deduct tax on the occasion of a chargeable event in respect of a Unitholder if (a) the Unitholder is neither Irish Resident nor Ordinarily Resident in Ireland, (b) the Unitholder has made a Relevant Declaration and (c) the Fund is not in possession of

any information which would reasonably suggest that the information contained therein is no longer materially correct. In the absence of a Relevant Declaration tax will arise on the happening of a chargeable event in the Fund regardless of the fact that a Unitholder is neither Irish Resident nor Ordinarily Resident in Ireland. The appropriate tax that will be deducted is as described below.

To the extent that a Unitholder is acting as an Intermediary on behalf of persons who are neither Irish Resident nor Ordinarily Resident in Ireland no tax will have to be deducted by the Fund on the occasion of a chargeable event provided that the Intermediary has made a Relevant Declaration that he/she is acting on behalf of such persons and the Fund is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct.

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

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

Unitholders who are Irish Resident or Ordinarily Resident in Ireland

Unless a Unitholder is an Exempt Irish Investor and makes a Relevant Declaration to that effect and the Fund is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct or unless the Units are purchased by the Courts Service, tax at the standard rate of income tax (currently 20%) will be required to be deducted by the Fund from a distribution (where payments are made annually or at more frequent intervals) to a Unitholder who is Irish Resident or Ordinarily Resident in Ireland. Similarly, tax at the standard rate plus 3% (i.e. currently 23%) will have to be deducted by the Fund on any other distribution or gain arising to the Unitholder (other than an Exempt Irish Investor who has made a Relevant Declaration) on an encashment, redemption or transfer of Units by a Unitholder who is Irish Resident or Ordinarily Resident in Ireland.

In addition, the Finance Act 2006 introduced an automatic exit tax for Unitholders who are Irish Resident or Ordinarily Resident in Ireland in respect of Units held by them in the Fund at the ending of a Relevant Period. Such Unitholders (both companies and individuals) will be deemed to have disposed of their Units (“deemed disposal”) at the expiration of that Relevant Period and will be charged to tax at the standard rate of income tax plus 3% (i.e. currently 23%) on any deemed gain (calculated without the benefit of indexation relief) accruing to them based on the increased value (if any) of the Units since purchase or since the previous exit tax applied, whichever is later.

For the purposes of calculating if any further tax arises on a subsequent chargeable event (other than chargeable events arising from the ending of a subsequent Relevant Period or where payments are made annually or at more frequent intervals), the preceding deemed disposal is initially ignored and the appropriate tax calculated as normal. Upon calculation of this tax, credit is immediately given against this tax for any tax paid as a result of the preceding deemed disposal. Where the tax arising on the subsequent chargeable event is greater than that which arose on the preceding deemed disposal, the Fund will have to deduct the difference. Where the tax arising on the subsequent chargeable event is less than that which arose on the preceding deemed disposal, the Fund will refund the Unitholder for the excess provided (i) the Unitholder has provided the Fund with a declaration confirming that the subsequent chargeable event is effected for bona fide reasons and does not form part of any transaction of which the main purpose or one of the main purposes is the recovery of the tax arising on the preceding deemed disposal and (ii) the Fund is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct.

Unitholders (depending on their own personal tax position) who are Irish Resident or Ordinarily Resident in Ireland may still be required to pay tax or further tax on a distribution or gain arising on an encashment, redemption, cancellation or transfer of their Units. Alternatively they may be entitled to a refund of all or part of any tax deducted by the Fund on a chargeable event.

Capital Acquisitions Tax

The disposal of Units may be subject to Irish gift or inheritance tax (Capital Acquisitions Tax). However, provided that the Fund falls within the definition of investment undertaking (within the meaning of Section 739B of the Taxes Consolidation Act, 1997, as amended), the disposal of Units by a Unitholder is not liable to Capital Acquisitions Tax provided that (a) at the date of the gift or inheritance, the donee or successor is neither domiciled nor Ordinarily Resident in Ireland; (b) at the date of the disposition, either the Unitholder disposing of the Units is neither domiciled nor Ordinarily Resident in Ireland or the disposition is not subject to Irish law; and (c) the Units are comprised in the gift or inheritance at the date of such gift or inheritance and at the Valuation Point.

With regard to Irish tax residency for Capital Acquisitions Tax purposes, special rules apply for non-Irish domiciled persons. A non-Irish domiciled donee or disponent will not be deemed to be resident or ordinarily resident in Ireland at the relevant date unless;

- i) that person has been resident in Ireland for the 5 consecutive years of assessment immediately preceding the year of assessment in which that date falls; and
- ii) that person is either resident or ordinarily resident in Ireland on that date.

European Savings Directive

Dividends and other distributions made by the Fund, together with payment of the proceeds of sale and/or redemption of Units in the Fund may in future (depending on the investment portfolio of the Fund and the location of the paying agent – the definition of a paying agent for the purposes of the Savings Directive is not necessarily the same person who may legally be regarded as the paying agent) be subject to the exchange of information regime or withholding tax imposed by EU Council Directive 2003/48/EC of 3 June 2003 on taxation of

savings income in the form of interest payments. If a payment is made to a Unitholder who is an individual resident in a Member State of the European Union (or a “residual entity” established in a Member State) by a paying agent resident in another Member State (or in certain circumstances the same Member State of the Unitholder) then the Directive may apply. The Directive applies to payments of “interest” made on or after 1 July 2005, applicants for Units in the Fund will be requested to provide certain information as required under the Directive. It should be noted the imposition of exchange of information and/or withholding tax on payments made to certain individuals and residual entities resident in an EU Member State also applies to those resident or located in any of the following countries; Anguilla, Aruba, British Virgin Islands, Cayman Island, Guernsey, Isle of Man, Jersey, Montserrat, Netherlands Antilles and Turks and Caicos Islands.

Finally, the following countries, Andorra, Liechtenstein, Monaco, San Marino and Switzerland, will not be participating in automatic exchange of information. To the extent that they will exchange information it will be on a request basis only. Their participation is confined to imposing a withholding tax.

APPENDIX II

GENERAL INFORMATION

Meetings

The Trustee or the Manager may convene a meeting of Unitholders at any time. The Trustee must convene such a meeting if requested in writing to do so by the holders of not less than 50% in aggregate of the Units in issue (excluding Units held by the Manager).

All business transacted at a meeting of Unitholders duly convened and held shall be by way of resolution in accordance with the terms of the Trust Deed.

Not less than fourteen (14) days' notice of every meeting must be given to Unitholders. The notice shall specify the place, day and hour of meeting and the terms of the resolution to be proposed. A copy of the notice shall be sent by post to the Trustee unless the meeting shall be convened by the Trustee. A copy of the notice shall be sent by post to the Manager unless the meeting shall be convened by the Manager. The accidental omission to give notice to or the non-receipt of notice by any of the Unitholders shall not invalidate the proceedings at any meeting.

The quorum shall be Unitholders present in person or by proxy holding or representing at least five per cent (5%) in number of the Units for the time being in issue. No business shall be transacted at any meeting unless the requisite quorum is present at the commencement of business.

At any meeting (a) on a show of hands every Unitholder who is present in person or by a proxy shall have one vote and (b) on a poll every Unitholder who is present in person or by proxy shall have one vote for every Unit of which he is the Unitholder.

With regard to the respective rights and interests of Unitholders of different Classes or different Portfolios the foregoing provisions shall have effect subject to the following modifications:-

- (a) a resolution which in the opinion of the Trustee affects one Class or one Portfolio only shall be deemed to have been duly passed if passed at a separate meeting of the Unitholders of that Class or Portfolio;
- (b) a resolution which in the opinion of the Trustee affects more than one Class or Portfolio but does not give rise to a conflict of interest between the Unitholders of the respective Classes or Portfolios shall be deemed to have been duly passed at a single meeting of the Unitholders of those Classes or Portfolios;
- (c) a resolution which in the opinion of the Trustee affects more than one Class or Portfolio and gives or may give rise to a conflict of interest between the Unitholders of the respective Classes or Portfolios shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Unitholders of those Classes or Portfolios, it shall be passed at separate meetings of the Unitholders of those Classes or Portfolios.

Reports

In respect of each Accounting Period, the Administrator will produce separate annual reports in respect of each Portfolio. Such reports shall contain such information required by the Financial Regulator and the Act. The Auditor shall audit and certify the annual report relating to the management of the Fund and each of its Portfolios. There shall be attached to such annual reports a statement by the Trustee in relation to each Portfolio and a statement of such additional information as the Financial Regulator may specify.

The said annual report shall be published and sent to the Financial Regulator within four months after the end of the period to which it relates and will be sent by the Administrator to all Unitholders or potential Unitholders who so request free of charge. The annual reports will cover the period ending on each Accounting Date. The first annual report relating to the period ending June 30, 2007 shall be issued not later than October 31, 2007.

The Administrator shall prepare an un-audited half-yearly report for the six months immediately succeeding an Accounting Period by reference to which the last annual report of the Fund or of each of the Portfolios was prepared. Such half-yearly report shall contain such information required by the Financial Regulator and the Act.

The said half-yearly report shall be published and sent to the Financial Regulator within two months after the end of the period to which it relates and will be sent by the Administrator to all Unitholders who so request free of charge. The half-yearly report will cover the period ending on December 31 of each year. The first half-yearly report relating to the period ending December 31, 2006 shall be issued not later than 28 February, 2007.

The Administrator shall provide the Financial Regulator with any monthly or other reports it may require.

The Trust Deed will be available at the respective registered offices of the Manager and the Trustee. In addition, a copy of the Trust Deed will be sent by the Manager to Unitholders, upon written request, on payment of a fee of €10 to the Manager.

Brokerage Practices

Transactions for the Fund may be allocated to brokers by the Investment Advisor. The Investment Advisor will use various brokers to execute, settle and clear securities and other transactions (including, for example, foreign exchange transactions) for the Fund. It is the Investment Advisor's general policy in selecting a broker or dealer to effect a particular transaction to seek to obtain the "best execution", which means prompt and efficient execution of a transaction at the best obtainable price in the market with payment of commissions that are reasonable in relation to the value of the brokerage services provided by the broker or dealer viewed in terms of either that particular transaction or the Investment Advisor's overall responsibilities with respect to the Fund. The Fund shall not engage in the practice of "soft commissions" unless otherwise disclosed in the relevant Supplement. Soft commission arrangements if applicable will only be entered in accordance with the requirements of the Financial Regulator including that the broker or counterparty has agreed to provide best execution and benefits provided to the Investment Advisor must be those which assist in the provision of investment services to the Fund or a Portfolio.

Notices

Any notice or other document required to be served upon or sent to a Unitholder shall be deemed to have been duly given if sent by post or left at his address as appearing on the register of Unitholders and in the case of joint Unitholders if so sent to or left at the address of the first named Unitholder on the register of Unitholders.

Service of a notice or document on any one of several joint Unitholders shall be deemed effective service on himself and the other joint Unitholders.

Any notice or other document which is sent by post or left at the registered address of the Unitholder named therein or dispatched by the Manager or the Trustee in accordance with any Unitholder's instructions shall be so sent, left or dispatched at the risk of such Unitholder.

Material Contracts

The following contracts, further details of which are set out in the section headed "Management of the Fund", not being contracts entered into in the ordinary course of business, have been or will be entered into and are or may be material:

- (i) The Trust Deed;
- (ii) The Administration Agreement; this Agreement dated 6 July, 2006 between the Manager and the Administrator is for an indefinite period and may be terminated by the Manager or the Administrator on not less than ninety days' written notice. This Agreement provides that the Manager shall indemnify and hold harmless the Administrator out of the assets of the Fund against all actions, proceedings, claims, costs, demands and expenses (including reasonable legal and professional expenses) which may be brought against, suffered or incurred by the Administrator by reason of its performance or non-performance of its obligations under the terms of this Agreement (other than due to the Administrator's fraud, wilful default or negligence). The terms of this Agreement regarding the remuneration of the Administrator are set out in the Supplement.

Any other contracts subsequently entered into, not being contracts entered into in the ordinary course of business which are or may be material, shall be detailed in the appropriate Supplement or Supplements to this Prospectus.

Termination

The Fund or any of its Portfolios may be terminated by the Trustee by notice in writing as hereinafter provided upon the occurrence of any of the following events, namely:

- (i) if the Manager shall go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or ceases business or becomes (in the reasonable judgement of the Trustee) subject to the de facto control of some corporation or person of whom the Trustee does not reasonably approve or if a receiver is appointed in respect of any

of the assets of the Manager or if an examiner is appointed to the Manager pursuant to the Companies (Amendment) Act, 1990;

- (ii) if in the reasonable opinion of the Trustee the Manager shall be incapable of performing or shall in fact fail to perform its duties satisfactorily or shall do any other thing which in the reasonable opinion of the Trustee shall bring the Fund or any of its Portfolios into disrepute or be harmful to the interests of the Unitholders;
- (iii) if any law shall be passed, which renders it illegal or in the reasonable opinion of the Trustee impracticable or inadvisable to continue the Fund or any of its Portfolios;
- (iv) if within a period of three months from the date of the Trustee expressing in writing to the Manager its desire to retire the Manager shall have failed to appoint a new trustee pursuant to the provisions of the Trust Deed; or
- (v) if no successor trustee has been appointed within a period of three months of the date on which notice of removal of the Trustee is given by the Manager.

The Fund or any of its Portfolios may be terminated by the Manager in its absolute discretion by notice in writing as hereinafter provided in any of the following events, namely:

- (i) if the Trustee shall go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Manager) or ceases business or if a receiver is appointed in respect of any of the assets of the Trustee or if an examiner is appointed to the Trustee pursuant to the Companies (Amendment) Act, 1990;
- (ii) if at any time after the end of the Initial Offer Period, the Net Asset Value of any of the Portfolios shall be less than the Minimum Viable Amount in which case the relevant Portfolio may be terminated;
- (iii) if the Fund shall cease to be an authorised unit trust under the Act or if any of its Portfolios shall cease to be authorised by the Financial Regulator;
- (iv) if any law shall be passed which renders it illegal or in the reasonable opinion of the Manager impracticable or inadvisable to continue the Fund or any of its Portfolios;
- (iv) if within a period of three months from the date of the Manager expressing in writing to the Trustee its desire to retire, a replacement Manager shall not have been appointed;
- (v) if within a period of six months from the date of the Investment Advisor expressing in writing to the Manager its desire to retire the Manager shall have failed to appoint a new Investment Advisor.

The party terminating the Fund or a Portfolio shall give notice thereof to the Unitholders in the manner herein provided and by such notice fix the date on which such termination is to take effect which date shall not be less than two weeks after the service of such notice.

The Fund or any of its Portfolios may at any time be terminated by extraordinary resolution of a meeting of the Unitholders duly convened and held in accordance with the provisions contained in the Schedule to the Trust Deed and such termination shall take effect from the date on which the said resolution is passed or such later date (if any) as the said resolution may provide.

Not later than two months before the termination of the Fund or of a Portfolio, as the case may be, the Manager shall (if practically possible) give notice to the Unitholders advising them of the impending distribution of the assets of the Fund or of the Portfolio, as the case may be. After the giving of notice of such termination the Manager shall procure the sale of all investments then remaining in the Trustee's and its nominee's hands as part of the assets of the Fund or of the Portfolio and such sale shall be carried out and completed in such manner and within such period after the termination of the Fund or of the Portfolio as the Manager and the Trustee thinks desirable. The Trustee shall at such time or times as it shall deem convenient and at its entire discretion distribute to the Unitholders pro rata to the number of Units of each Portfolio held by them respectively all net cash proceeds derived from the realisation of the investments and any cash then forming part of the assets of the relevant Portfolio so far as the same are available for the purpose of such distribution. Every such distribution shall be made only after such form of request of payment and receipt as the Trustee shall in its absolute discretion require shall have been lodged with the Trustee provided that the Trustee shall be entitled to retain out of any such monies in its hands full provision for all costs, charges, expenses, claims, liabilities and demands relating to the relevant Portfolios, for which the Trustee is or may become liable or incurred, made or expended by the Trustee in connection with the liquidation of the Fund or any of the Portfolios, as the case may be, and out of the monies so retained to be indemnified and saved harmless against any such costs, charges, expenses, claims and demands. Any unclaimed net proceeds or other cash held by the Trustee may at the expiration of twelve months from the date on which the same were payable be paid into court subject to the right of the Trustee to deduct therefrom any expenses it may incur in carrying out its duties.

Continuance or Retirement of Manager

The Manager shall so long as the Fund subsists continue to act as the Manager thereof in accordance with the terms of the Trust Deed.

The Manager for the time being shall be subject to removal and shall be so removed by (immediate in the case of (i)) (three months (in the case of (ii)) notice in writing given by the Trustee to the Manager in any of the following events:

- (i) if the Manager goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or if a receiver is appointed in respect of any of the assets of the Manager or if an examiner is appointed to the Manager pursuant to the Companies (Amendment) Act, 1990; or
- (ii) if a Meeting of the Unitholders by extraordinary resolution determines that the Manager should retire.

The Manager shall have the power on the giving of three months' written notice to the Trustee to retire in favour of some other corporation approved by the Trustee and the

Financial Regulator upon and subject to such corporation entering into an acceptable deed. The Manager shall cease to hold office in the event of the appointment by the Financial Regulator of a new manager under the Act.

Continuance or Retirement of Trustee

The Trustee shall so long as the Fund subsists continue to act as the Trustee thereof in accordance with the terms of the Trust Deed.

The Trustee for the time being shall be subject to removal and shall be so removed by notice in writing given by the Manager to the Trustee in any of the following events:-

- (i) if the Trustee goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms approved in writing by the Manager) or ceases business or if a receiver is appointed in respect of any of the assets of the Trustee or if an examiner is appointed to the Trustee pursuant to the Companies (Amendment) Act, 1990;
- (ii) if a meeting of the Unitholders by extraordinary resolution determines that the Trustee should retire.

In the case of (i) above, the Trustee shall, upon notice by the Manager, ipso facto cease to be the Trustee upon the appointment of a successor trustee and in the case of (ii) above the Trustee shall upon notice by the Manager, and after the expiration of three months, cease to be the Trustee upon the appointment of a successor trustee.

The Trustee shall not be entitled to retire voluntarily except upon the appointment of a new trustee provided, however, that if within a period of three months of the date on which notice of retirement of the Trustee is given, no successor trustee has been appointed, the Trustee may terminate the Trust and revocation of the Trust's authorisation will be sought from the Financial Regulator provided that the Trustee shall remain in office until the Fund's authorisation has been revoked. In the event of the Trustee desiring to retire, the Manager may by supplemental deed appoint any duly qualified corporation which is acceptable to the Financial Regulator to be the trustee in the place of the retiring Trustee. The Trustee shall cease to hold office in the event of the appointment by the Financial Regulator of a new Trustee under the Act. If within a period of three months of expressing its desire to retire or of the date on which notice of removal is given no successor trustee has been appointed, the Trustee may terminate the Fund and revocation of the Fund's authorisation will be sought from the Financial Regulator provided that the Trustee shall remain in office until the Fund's authorisation has been revoked.

Documents Available for Inspection

The following documents are available for inspection on any Business Day at the registered office of the Manager from the date of this Prospectus:

- (a) the material contracts referred to above;
- (b) the Unit Trusts Act 1990 and the Financial Regulator regulations made thereunder;
and

- (c) annual reports, incorporating audited financial statements and half-yearly reports, incorporating unaudited financial statements, when published; and
- (d) a memorandum of the current and prior directorships and partnerships of each of the Directors of the Manager held during the past five years.

Save for the annual and half-yearly reports, which can be obtained at the registered office of the Manager free of charge on request, copies of each of the above documents can be obtained at the registered office of the Manager.

No Units of the Fund are under option or agreed conditionally or unconditionally to be put under option or is issued or proposed to be issued for a consideration other than cash.

No Director of the Manager has any interest in any contract or arrangement which is either unusual in its nature or significant to the business of the Fund.

APPENDIX III

Recognised Exchanges

With the exception of permitted investments in unlisted securities and off-exchange derivative instruments investment in securities or financial derivative instruments will be made only in securities or financial derivative instruments which are listed or traded on a stock exchange or market which meets with the regulatory criteria (regulated, operate regularly, be recognised and open to the public). The stock exchanges and/or markets will be drawn from the following list. The exchanges and markets are listed in accordance with the Financial Regulator's requirements. The Financial Regulator does not issue a list of approved markets.

1) any stock exchange which is:

- located in any Member State; or
- located in a member state of the European Economic Area (Norway, Iceland and Liechtenstein); or
- located in any of the following countries:-

Australia
Bermuda
Channel Islands
Canada
Cayman Islands
Hong Kong
Japan
New Zealand
Switzerland
United States of America; or

2) any of the following stock exchanges or markets:-

Argentina	Mercado de Valores de Buenos Aires S.A.
Brazil	Bolsa de Valores de Sao Paolo
Brazil	Bolsa de Valores de Rio de Janerio
China	Shanghai Stock Exchange
China	Shenzhen Stock Exchange
Malaysia	Bursa Malaysia
Mexico	Bolsa Mexicana de Valores
Singapore	Singapore Exchange
South Africa	JSE Securities Exchange
Taiwan	Gretai Securities Market
Taiwan	Taiwan Stock Exchange
Thailand	Stock Exchange of Thailand
Turkey	Istanbul Stock Exchange

3) any of the following:

- The market organised by the International Securities Market Association.
- The UK market (i) conducted by banks and other institutions regulated by the FSA and subject to the Inter-Professional Conduct provisions of the FSA's Market Conduct Sourcebook; and (ii) in non-investment products which is subject to the guidance contained in the "Non-Investment Products Code" drawn up by the participants in the London market, including the FSA and the Bank of England.
- The market in US government securities conducted by primary dealers regulated by the Federal Reserve Bank of New York.
- The over-the-counter market in the United States conducted by primary and secondary dealers regulated by the Securities and Exchanges Commission and by the National Association of Securities Dealers (and by banking institutions regulated by the US Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation).
- NASDAQ Europe (NASDAQ Europe is a recently formed market and the general level of liquidity may not compare favourably to that found on more established exchanges).
- NASDAQ in the United States.
- The over-the-counter market in Japan regulated by the Securities Dealers Association of Japan.
- The over-the-counter market in Canadian Government Bonds, regulated by the Investment Dealers Association of Canada.
- The French market for "Titres de Creance Negotiable" (over-the-counter market in negotiable debt instruments).
- AIM-the Alternative Investment Market in the UK regulated and operated by the London Stock Exchange.

4) In relation to any derivatives contract used for efficient portfolio management purposes, any organised exchange or market on which such contract may be acquired or sold.

SC GLOBAL PROPERTY FUND

First Supplement to the Prospectus dated 6 July, 2006 of Swiss Capital Alternative Funds

This Supplement contains specific information in relation to SC Global Property Fund, (the "Portfolio"), a portfolio of Swiss Capital Alternative Funds (the "Fund") an open-ended umbrella unit trust authorised in Ireland by the Financial Regulator pursuant to the provisions of the Unit Trusts Act, 1990 (the "Act").

Notices

Capitalised terms used, but not defined, in this Supplement have the meanings given to them in the Fund's Prospectus dated 6 July, 2006. This Supplement forms part of and should be read together with and in the context of the Prospectus dated 6 July, 2006. The Prospectus is available from the Manager at its registered office. To the extent that there is any inconsistency between the terms of this Supplement and the Prospectus, this Supplement shall prevail with respect to the Portfolio.

The Manager may charge a redemption charge of 2% of the redemption amount in respect of any redemptions or conversions, which shall be paid into the assets of the Portfolio or retained by the Manager for its sole use and benefit or as it may determine. The Manager in its absolute discretion may waive, or differentiate between investors as to the amount of, any such redemption charge.

The Directors of the Manager of the Fund, whose names appear under the heading "Management of the Fund" in the Prospectus, accept responsibility for the information contained in the Prospectus and this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

Definitions

Investment Advisor

LaSalle Investment Management (Securities), LP
100 East Pratt Street, 20th Floor
Baltimore
Maryland 21202
U.S.A.

Investment Advisory Agreement

The Manager has entered into the Investment Advisory Agreement with the Investment Advisor, pursuant to which the Investment Advisor manages the Portfolio's investments. The Investment Advisor is registered as an investment advisor with the Securities and Exchange Commission. The Investment Advisor's principal business is asset management. The Investment Advisory Agreement dated 6 July, 2006 between the Manager and the Investment

Advisor will be renewed on an annual basis unless and until terminated by the Manager or the Investment Adviser on not less than 90 calendar days' written notice to the other party. This Agreement provides that the Manager shall, out of the assets of the Portfolio, indemnify and hold harmless the Investment Advisor and its officers, executives and directors from any and all cost, liability and expense arising under this Agreement or resulting directly or indirectly from any act or omission in the course of or in connection with the services provided by the Investment Advisor, or from any breach of this Agreement by either of them provided such cost, liability or expense is not as a result of any negligence, fraud, wilful default or bad faith of the Investment Advisor.

Risk Advisor

Swiss Capital Alternative Investments AG
Talacker 41
CH 80001
Zurich
Switzerland

Risk Advisory Agreement

The Manager, the Investment Adviser and the Risk Advisor have entered into the Risk Advisory Agreement with the Risk Advisor, pursuant to which the Risk Advisor will provide risk monitoring and consultancy / advisory services to the Manager. The Risk Advisor will have no discretionary investment management power other than for effecting hedging activities for the Portfolio as are further described under the heading "Currency Hedging" below. The Risk Advisor will promptly notify the Manager and/or the Investment Adviser of any hedging positions entered into for the Portfolio. Swiss Capital Alternative Investments AG is a limited liability company incorporated in 1998 and has its offices at Talacker 41, 8001 Zurich. It was granted the Securities Dealer Licence by the Swiss Federal Banking Commission in December 1998. The Risk Advisory Agreement dated 6 July, 2006 between the Manager, the Investment Adviser and the Risk Advisor will be renewed on an annual basis unless and until terminated by the Manager or the Risk Adviser on not less than 30 calendar days' written notice to all parties. This Agreement provides that the Manager shall, out of the assets of the Portfolio, indemnify and hold harmless the Risk Advisor and its officers, executives and directors from any and all cost, liability and expense arising under this Agreement or resulting directly or indirectly from any act or omission in the course of or in connection with the services provided by the Investment Adviser, or from any breach of this Agreement by either of them provided such cost, liability or expense is not as a result of any negligence, fraud, wilful default or bad faith of the Risk Advisor.

Manager, Trustee and Administrator

The Manager has appointed Northern Trust International Fund Administration Services (Ireland) Limited as administrator to the Fund. Northern Trust Fiduciary Services (Ireland) Limited acts as trustee of the Fund.

Investment Committee

The Manager shall be entitled from time to time to constitute an Investment Committee to provide the Portfolio with strategic advice and analysis in connection with its investment management. The number of persons constituting the Investment Committee, each of whom shall be appointed by and who can be removed or substituted by the Directors from time to

time, shall be not less than two. Any fees or expenses of the Investment Committee shall be borne by the Manager and shall not be charged to the Portfolio.

The members of the Investment Committee will initially consist of Messrs. Baumann, and Schindler (whose biographies are set out under “Management of the Fund” on page 32) and Messrs. Seiler and Sommerau (see below).

Dr. Daniel Seiler

Dr. Daniel Seiler is a Swiss national. He received a Masters in Environmental Science from the Swiss Institute of Technology, Zürich, a Masters in Economics as well as a Ph.D. in Finance from the University of St. Gallen. Prior to joining Swiss Capital, Daniel worked as SRI analyst at VTZ/Delphi as well as asset allocation consultant at Vescore. Daniel joined Swiss Capital Group in 2004 as head of portfolio construction and portfolio management.

Mr. Hans-Jörg Sommerau

Hansjörg Sommerau is a Swiss national. He received a Masters in Economics from the University of St.Gallen. He was a Sales Engineer at NCR Switzerland from 1983 to 1985. He joined UBS in 1986 where he was responsible for the build up of swaps and derivatives marketing and sales for the Swiss market. In 1994 he was appointed Head of Sales Fixed Income at UBS Zurich for the Swiss market. From 1996 to 1997 he headed the Fixed Income Sales Team in Europe at UBS Ltd London. He is a co-founder and Senior Partner of Swiss Capital Alternative Investments Ltd.

Investment Objective

The investment objective of the Portfolio is to achieve income and long-term capital appreciation by investing in a portfolio of publicly listed and traded real estate securities pursuant to the investment philosophy and approach described below.

Investment Philosophy

- Aim to achieve income and capital growth over the long term through a focus on property with a value based investment discipline.
- Global allocation process.
- Construct the Portfolio based on a combination of a top-down and bottom-up investment approach.

The above philosophy and in particular the top-down and bottom-up approach involves the Investment Advisor relying on input from over 10,000 colleagues across the LaSalle group and over 150 research professionals, who are exclusively focused on property, to provide real-time information by market, region and property sector type. This information includes economic data, property fundamentals and capital flows. The Investment Advisor uses this information to derive inputs for its modelling process and to identify those markets, regions and property sectors which offer the most favourable growth prospects. The Investment Advisor’s securities investment professionals begin with insights from its direct real estate market research to underwrite the risk of each company, starting with country-specific risk-free bond rates adjusted for property sector yield spreads, company specific capital structures,

company-specific management capabilities and liquidity risk. Together with estimates of companies' cash flows, it derives its opinion of the intrinsic value of each of the companies in that investment universe. Through the combination of a top-down and bottom-up approach, LaSalle Securities' regional investment teams create regional portfolios with an appropriate level of geographic and property sector diversification comprised of those property companies with the most attractive relative valuations. LaSalle reviews client specific risk and return objectives and compares the relative values of each regional portfolio to determine the regions and constituent companies and the Investment Advisor draws on this to decide which companies they want to over- and underweight.

Investment Approach

The Portfolio invests primarily in global, publicly listed and traded real estate securities, using an investment approach which focuses principally on research and analysis of both real estate fundamentals and real estate securities in order to understand the value of companies, their cash flows, their long-term growth rates and their associated risks. The major markets which the Investment Advisor will target include (but are not limited to) Australia, Hong Kong, Japan, the United Kingdom, France, the Netherlands, Spain, Canada, and the United States.

The Investment Advisor believes that while short-term performance of real estate securities is influenced by a number of factors, the longer-term performance of these securities will be driven by the performance of their underlying assets and the ability of management to create value.

The research utilised by the Investment Advisor may include, but is not necessarily limited to, economic data, real estate fundamentals, capital flows, country-specific risk-free bond rates adjusted for real estate sector yield spreads, company specific capital structures, company-specific management capabilities and liquidity risk. This information is used as part of a proprietary modelling process to target those markets, regions, property sectors and individual companies which offer the most favourable growth prospects. This model is, in essence, a dividend discount model which looks at cash flow growth at the company level and approximates the risk underlying those cash flow streams. The Investment Advisor then discounts those cash flows to a present value in order to derive the intrinsic value of each stocks.

The securities in which the Portfolio can invest, may include publicly traded equity securities and government and corporate fixed and floating rate bonds of real estate companies, typically with credit ratings of not less than investment grade, and real estate investment trusts (which invest in real estate i.e. income producing properties and/or mortgage based securities) ("REITs"), listed on a Recognised Exchange (please see above for the list of primary markets).

In contrast to a collective investment scheme, a REIT does not calculate a net asset value but has as its main goal the distribution of all or a significant portion of its cash flow to unitholders on a monthly or quarterly basis in a tax efficient manner. Additionally it does not invest in a diversified portfolio of securities or property in pursuance of a particular investment policy or objective but holds assets attributable to a particular underlying operating business or business sector, i.e. real estate. In particular REITs invest in real estate i.e. income producing properties and/or mortgage based securities. **As a result, the investment in REITS will not be subject to the general restrictions on investment in CIS**

set out on pages 25 - 29 of the Prospectus. Investment in REITS will instead be subject to the restriction applicable to “transferable securities” as set out on pages 25 - 29 of the Prospectus.

In addition and subject to the investment restrictions set out below, the Investment Advisor may also invest in exchange traded funds and closed-ended collective investment schemes which invest in real estate or real estate securities. Such funds will be established in jurisdictions set out in the list of Recognised Exchanges and, with regard to closed-ended funds, may have indefinite lock-up periods. It is intended that there will only be limited investment in closed-ended schemes with lock-up periods. The Investment Advisor does not consider that such investments will form a substantial part of the investment strategy and that investment in closed-ended schemes, if any, will be undertaken with due regard to the liquidity requirements of the Portfolio. The Investment Advisor will only invest in exchange traded funds and closed ended schemes the units of which are listed and traded on a Recognised Exchange. The Investment Advisor deems the units of such schemes to be highly liquid, transferable securities, and accordingly anticipates that the Portfolio will be in a position to realise its investment in such assets promptly in order to meet any redemption requests. The Portfolio will not invest in other open-ended collective investment schemes. Typically the exchange traded funds and closed-ended collective investment schemes invested in by the Portfolio will not be leveraged. Typically, no more than 20% of the Portfolio’s Net Asset Value will be invested in aggregate in exchange traded funds or closed-ended schemes.

The Portfolio is expected to be widely diversified across geographic locations and by market capitalisation. As noted, the Investment Advisor will use the UBS Global Real Estate Investors Only Total Return Index as a benchmark. The Index consists of the following countries: Australia, New Zealand, Hong Kong, Japan, Singapore, Continental Europe, the United Kingdom, Canada, and the United States. However, the diversification of the Portfolio will not be limited to these countries.

The Portfolio will not invest directly in real property.

The Portfolio will hold liquid assets, such as short-term government and investment grade corporate debt, cash and money market instruments, including but not limited to certificates of deposit, floating rate notes and fixed or variable rate commercial paper which, to the extent that they are listed, shall be listed on Recognised Exchanges, primarily in the OECD, to reduce volatility, pending re-investment and facilitate the redemption of the Units as described under “Restrictions on Investment and Borrowing” in accordance with the Financial Regulator’s requirements and in cash deposits denominated in such currency or currencies as the Investment Advisor may determine.

The Portfolio may use index futures, interest rate swap and options contracts, which are traded on a Recognised Exchange or over-the-counter for efficient portfolio management and hedging purposes. These instruments will generally be used where the Investment Advisor, or the Risk Advisor with regard to currency hedging, wants the Portfolio to invest in a particular market and where for reasons relating to timing or costs, it decides that investment by means of the futures market is more appropriate for the Portfolio than direct investment and/or where the Investment Advisor wants to hedge the market risk, volatility and/or interest rate risk out of a particular position or the Portfolio as a whole at any given time.

The investment policy of the Portfolio entails above average risks. There can be no assurance that the investment objective will be achieved. In fact, the practices that the

Portfolio may employ from time to time can, in certain circumstances, increase the adverse impact to which the Portfolio's investments may be subject. (See "Risk Factors" below.)

No assurance can be given that the Portfolio's investment objective will be achieved and investment results may vary substantially over time.

Currency Hedging

The Portfolio may invest in assets which are denominated in currencies other than its Base Currency. As a result the Portfolio may enter into hedging transactions where it has acquired investments not denominated in the Base Currency of the Portfolio. The margins and premiums payable for such transactions shall not exceed the Net Asset Value.

The Risk Advisor may implement a risk management strategy designed to manage the foreign exchange risk associated with investing in assets denominated in a currency other than the Portfolio's Base Currency. The risk management strategy implemented may consist of either a "passive" or "active" foreign exchange risk hedging program as further described below. It is the intention of the Risk Advisor that hedging programmes, if implemented, will primarily be of a "passive" type.

A "passive" hedging program may be described as one whereby the currency exposure is controlled on a permanent basis through the use of forward currency contracts. The aim of such a passive foreign exchange risk hedging program is to provide a hedge against the impact of changes in the value of the assets not denominated in the Base Currency (subject to certain inherent limitations of such a program, as described below). When a "passive" hedging program is implemented, the Portfolio foregoes participation in any currency appreciation of the assets not denominated in the Base Currency, and is subject to costs and expenses associated with hedging. However, the Portfolio is protected against any currency depreciation of the value of the assets not denominated in the Base Currency, subject to hedging costs and expenses.

An "active" hedging program may be described as the active management of the currency positions that would otherwise form part of a "passive" hedge program.

When hedging contracts are outstanding, their maximum aggregate amount will not exceed the Net Asset Value of the Portfolio, adjusted on a monthly basis in conformity with the Portfolio's monthly subscription and redemption experience. The investor's foreign exchange risk will generally be hedged only to the extent that the currency forward contracts are based on the Portfolio's beginning-of-month assets, subject to regular review of anticipated cash and transactional requirements of the Portfolio. Therefore investment gains in the course of the month will generally not be protected against currency fluctuations in the same manner, although from time to time the hedge strategy may also include forward currency transactions throughout the month in order to protect investment gains generated in the course of the month against currency fluctuations. While the hedge intends to cover month end net assets, the operational aspects of purchases and sales of investments may render the Portfolio moderately over-hedged at some times or moderately under-hedged at other times.

Classes in the Portfolio may be denominated in currencies other than the Base Currency and the Risk Advisor may decide that the currency exposure created be either hedged or unhedged. Hedged Classes may enter into currency hedging transactions, the benefits and costs of which will accrue solely to the Units of that Class. Such hedging transactions will be clearly attributed to the relevant Hedged Class on the books and records of the Portfolio. This

hedging strategy may substantially limit holders of that Class from benefiting if the denominated currency of that Class falls against the Base Currency and/or the currency in which the assets of the Portfolio are denominated. Unhedged Classes will be valued and will pay redemption proceeds and will effect subscriptions and exchanges on the basis of the prevailing spot currency exchange rate of the currency in which such Class is denominated. The value of unhedged classes expressed in the Class currency will be subject to exchange rate risk in relation to the Base Currency of the Portfolio. The liabilities associated with such hedging will be limited to the Net Asset Value of the relevant hedged Class. No Class may be leveraged as a result.

Hedging contracts may only be concluded with prime financial institutions who specialise in transactions of this kind or have a credit rating equal to or higher than the rating required by the Financial Regulator or another supervisory authority in a country in which the Portfolio is registered. Hedging contracts will be established for maturities from one to twelve months and, if required by the hedging strategy, may be re-established (“rolled over”) for additional terms. As at the last Valuation Point of each month, outstanding forward contracts are “marked-to-market” at the then prevailing market prices. Unrealised gains and losses on outstanding contracts as well as gains and losses realised on hedging contracts during the month will be added to or deducted, as the case may be, from the Portfolio’s, or, in the case of hedged Classes, each relevant hedged Class’, net assets.

Investment Restrictions

The general investment restrictions applicable to the Fund and each Portfolio are as set out on pages 25-29 of the Prospectus. Owing to the particular, investment strategy of this Portfolio not all of the general restrictions will be applicable, e.g. index tracking.

In addition to the general restrictions (as applicable) the following restrictions will apply to the Portfolio. For the avoidance of doubt, in the event of any conflict between the general investment restrictions set out on pages 25-29 of the Prospectus and the following restriction, the following restriction will take precedence:

- The Portfolio will invest no more than 15% of its net asset value in directly or indirectly in interest bearing securities.

Minimum Initial Subscription

The minimum initial investment per subscriber is 25,000 Euro in the case of Euro Units, US\$25,000 in the case of US Dollar Units and CHF25,000 in the case of Swiss Franc Units or in each case, such lesser amount as the Directors may in any particular case determine on the date of subscription. The minimum amount of additional subscriptions is 10,000 Euro in the case of Euro Units, US\$10,000 in the case of US Dollar Units and CHF10,000 in the case of Swiss Franc Units (or the equivalent thereof in another currency) or in each case such lesser amount as the Manager may in any particular case determine.

The Offer

Units will be issued as Euro Units, US Dollar Units, or Swiss Franc Units and will be redeemed in Euro, US\$ and CHF respectively.

Following the close of the Initial Offer Period, Units are available for subscription at the Net Asset Value per Unit on each Subscription Date and redemption on each Redemption Date.

Initial Offer Period and Initial Issue Price per Unit

During the Initial Offer Period from 2 p.m. to 5 p.m. (Irish time) on 6 July, 2006 (the "Initial Closing Date"), Euro Units, US Dollar Units and Swiss Franc Units are offered at an Initial Issue Price per Unit of 1,000 Euro, US\$1,000 and CHF1,000 respectively.

Subsequent Offer

Following the close of the Initial Offer Period, Units are available for subscription at the Subscription Price which will be the Net Asset Value per Unit on each Subscription Date. The Net Asset Value per Unit will be calculated as of the Valuation Point immediately preceding the relevant Subscription Date.

Fees and Expenses

The Portfolio shall pay the following fees and expenses.

Management Fee

The Manager receives a monthly fee from the Portfolio calculated at an annual rate of 1.5% of the month-end Net Asset Value of the Portfolio (the "Management Fee"). The Management Fee accrues as of each Valuation Point and is payable monthly in arrears (plus VAT, if any). The Manager shall be entitled to be reimbursed by the Portfolio for reasonable out of pocket expenses incurred by it and any VAT on fees and expenses payable to or by it.

The Directors may waive or rebate all or a portion of the Management Fee with respect to specific Classes of Units, and in such case adjustments will be made to the determination of Net Asset Value.

Administrator

The Administrator shall be entitled to receive an annual fee of 0.10% of the first US\$250 million of Net Asset Value of the Portfolio, 0.08% of the next US\$250 million of Net Asset Value of the Portfolio and 0.06% on the remainder of the Net Asset Value of the Portfolio, paid monthly in arrears.

The Administrator will be entitled to be reimbursed for its reasonable out-of-pocket expenses, which shall be charged at normal commercial rates.

Trustee

The Trustee shall be entitled to receive an annual fee of 0.05% of the first US\$250 million of Net Asset Value of the Portfolio, 0.04% of the next US\$250 million of Net Asset Value of the Portfolio and 0.03% on the remainder of the Net Asset Value of the Portfolio, paid monthly in arrears.

In addition, the Trustee shall be entitled to a transaction fee of US\$30 per transaction and shall be entitled to be reimbursed for its reasonable out of pocket expenses, including the fees and expenses of any sub-custodians appointed by it pursuant to the Trust Deed which shall be charged at normal commercial rates.

Investment Advisor

The fees of the Investment Advisor are payable by the Manager out of its Management Fee at no additional cost to the Portfolio. The Investment Advisor shall be entitled to be reimbursed by the Portfolio for reasonable out of pocket expenses incurred by it and any VAT on fees and expenses payable to or by it.

Risk Advisor Fee

The fees of the Risk Advisor are payable by the Manager out of its Management Fee at no additional cost to the Portfolio. The Risk Advisor shall be entitled to be reimbursed by the Portfolio for reasonable out of pocket expenses incurred by it and any VAT on fees and expenses payable to or by it.

Switching Fee

Unitholders may be subject to a switching fee for each switch not exceeding the preliminary charge (i.e. 3% of the switched amount), which would be payable if the value of the Units in the original Class being switched was subscribed for a new Class and if applicable where the value of the Units in the original Portfolio being switched was subscribed for a new Portfolio. Such fee may be waived wholly or in part by the Manager at its discretion.

Establishment Costs

The costs of establishing the Portfolio are estimated to be Euro 70,000 and will be amortised over the first Accounting Period of the Portfolio's existence or such other period as may be determined by the Manager in consultation with the Investment Advisor in their absolute discretion deems fair and shall be subject to such adjustment following the establishment of new Portfolios as the Manager may determine. The Portfolio's accounts will be prepared in accordance with International Financial Reporting Standards which do not permit the amortisation of organisational expenses. Notwithstanding this, the Manager may, at its discretion, amortise the organisational expenses of the Portfolio over a period of time and, if it does, the accounts may be qualified in this regard. Such establishment expenses may include but may not necessarily be limited to lawyers' fees, auditor's fees, fees of other professional advisors, advertising and marketing expenses, the fees and other expenses associated with the purchase of investment management software to be employed specifically by the Portfolio and the Portfolio's pro-rata share of the costs of establishing the Fund.

Upon the opening of subsequent portfolios in the Fund within the first year after the launch of the Portfolio, the amount of such expenses and costs remaining to be amortised in relation to the establishment of the Fund as of the date on which such additional portfolios are opened shall be apportioned equally against the Portfolio and those portfolios.

In accordance with International Financial Reporting Standards, where any such establishment or organisational expenses are so amortised, it should be noted that the Net Asset Value will be reported in the financial statements as if such expense had been fully amortised in the Accounting Period in which they were paid.

Where these expenses relate specifically to the administration of a particular Portfolio, the expenses will be allocated to that Portfolio. Otherwise, the expenses will be allocated between the Portfolio pro rata to their Net Asset Values at that time.

Other Fees and Expenses

The Portfolio pays out of its assets all fees, costs and expenses, of or incurred by the Manager, the Administrator and the Trustee in connection with the ongoing management, administration and operation of the Portfolio. Such fees, costs expenses and disbursements payable by the Portfolio include, but are not limited to:

- (a) auditors' and accountants' fees;
- (b) lawyers' and other professional advisory fees;
- (c) commissions, fees and reasonable out-of-pocket expenses payable to any placing agent, structuring agent, paying agent, correspondent bank or a distributor of the Units of any Portfolio;
- (d) merchant banking, stockbroking or corporate finance fees including interest on borrowings, index calculation, performance attribution, risk control and similar services, fees and expenses, fees and charges of clearing agents and interest of debt balances and other charges;
- (e) taxes or duties imposed by any fiscal or regulatory authority;
- (f) costs of preparation, translation and distribution of all prospectuses reports, certificates (if any), confirmations of purchase of Units and notices to Unitholders;
- (g) fees and expenses incurred in connection with the admission or proposed admission of Units to the official list of any stock exchange, if relevant, including the Irish Stock Exchange and in complying with the listing rules thereof;
- (h) fees and expenses incurred in registering the Portfolio for sale in various markets;
- (i) custody and transfer expenses;
- (j) expenses incurred in convening meetings of the directors of the Manager or of Unitholders;
- (k) insurance premia;
- (l) any other expenses, including clerical costs of issue or repurchase of Units;
- (m) the cost of preparing, printing and/or filing in any language this Deed and all other documents relating to the Trust or to the relevant Portfolio including registration statements, prospectuses, listing particulars, explanatory memoranda, annual, semi-annual and extraordinary reports with all authorities (including local securities dealers associations) having jurisdiction over the Trust or any of the Portfolios or the offer of Units of the relevant Portfolio and the cost of delivering any of the foregoing to the Unitholders;

- (n) advertising and marketing expenses relating to the distribution of Units of a Portfolio including the costs of printing marketing materials; and
- (o) the costs of publication of notices in local newspapers in any relevant jurisdiction;
- (p) the total costs of any amalgamation or reconstruction of a Portfolio of the Trust;
- (q) all fees payable in respect of investments in other collective investment schemes including, without limitation, subscription, redemption, management, performance, distribution, administration and/or custody fees in respect of each collective investment scheme in which a Portfolio of the Trust invests, except where this is not permitted by the Financial Regulator;
- (r) licence fees and other expenses associated with the use of any investment management software employed by a Portfolio of the Trust; and
- (s) fees and expenses chargeable by the Financial Regulator including those incurred in complying with Notices, guidance notes and rules thereof;

in each case plus any applicable VAT.

Base currency

US Dollar

Business Day

Every day which is a bank business day in Dublin (excluding Saturdays and Sundays).

Subscription Dates

Every Thursday, or if such day is not a Business Day, the immediately preceding Business Day; and provided that there shall be one Subscription Date in every week. If the first calendar week in a month does not contain a Thursday, the Subscription Date shall be first Business Day of that month. Units are subscribed for at the Net Asset Value per Unit as of the applicable Subscription Date.

Redemption Dates

Every Thursday or, if such day is not a Business Day, the immediately preceding Business Day; and provided that there shall be one Redemption Date in every week. If the first calendar week in a month does not contain a Thursday, the Redemption Date shall be first Business Day of that month. Units are subscribed for at the Net Asset Value per Unit as of the applicable Redemption Date.

Subscription Deadline

5.00 p.m. (Irish time), on the day falling 2 Business Days before the Subscription Date, or such other time and/or day as the Manager may determine from time to time provided such

other time and/or day is prior to the relevant Valuation Point. In any event, the Subscription Deadline shall fall prior to the calculation of the Net Asset Value per Unit.

Redemption Deadline

5.00 p.m. (Irish time), on the day falling 2 Business Days before the Redemption Date, or such other time and/or day as the Manager may determine from time to time provided such other time and/or day is prior to the relevant Valuation Point. In any event, the Redemption Deadline shall fall prior to the calculation of the Net Asset Value per Unit.

Valuation Point

5.00 p.m. (Irish time) on the Business Day immediately preceding the Subscription Date and Redemption Date.

Preliminary Charge

A preliminary charge of up to three per cent (3%) of the amount subscribed may be payable by applicants when subscribing for Units at the discretion of the Manager. Such charge may be paid into the assets of the Portfolio or retained by the Manager for its sole use and benefit or as it may determine. The Manager in its absolute discretion may waive, or differentiate between investors as to the amount of, any such preliminary charge.

Redemption Charge

A redemption fee of up to two per cent (2%) of redemption proceeds may be payable by Unitholders when redeeming Units at the discretion of the Manager. Such charge may be paid into the assets of the Portfolio or retained by the Manager for its sole use and benefit or as it may determine. Units will be deemed to be repurchased on a “first-in, first-out” basis. The Manager may at its sole discretion waive such fee or differentiate between applicants as to the amount of such fee within the permitted limits.

Minimum Holding

25,000 Euro in the case of Euro Units, US\$25,000 in the case of US Dollar Units and CHF25,000 in the case of CHF Units.

Minimum Viable Amount

5,000,000 Euro.

Distributions

It is not the current intention of the Directors to issue any distributions. Should this position change, distributions shall be issued in accordance with the provisions of the Trust Deed and the Prospectus, and this Supplement will be amended accordingly. See page 29.

Risk Factors

Potential investors should consider the risks referred to in the “Risk Factors” section of the Prospectus. The following additional risk factors should be considered.

Business Risk

There can be no assurance that the Portfolio will achieve its investment objective. There is no operating history by which to evaluate its likely future performance. The investment results of the Portfolio will be critically dependent on the performance of the Investment Advisor. The Investment Advisor will use a discretionary macro-economic strategy to select investment opportunities. This strategy may not produce the intended results and the use of this strategy cannot guarantee that the Portfolio will achieve its objective.

Real Estate Investments

Real property investments are affected by various factors including changes in general economic conditions (such as the availability of long term mortgage funds) and in local conditions (such as oversupply of space or a reduction in demand for real estate in the area), the attractiveness of the properties to the market, competition from other valuable space and various other factors. The value of a real property and any improvements thereto may also depend on the credit and financial stability of the tenants.

Real Estate Investment Trusts

Investments in real estate investment trusts ("REITs") are subject to the general risks associated with real property investments. A REIT's income and funds available for distribution to its unitholders would be adversely affected if a significant number of tenants were to become unable to meet their obligations to the REIT or if the REIT were unable to lease a significant amount of available space in its properties on economically favourable terms. The prices of equity REITs are affected by changes in the value of the underlying property owned by the REITs and changes in capital markets and interest rates. Further, equity REITs are dependent upon management skills and generally may not be diversified and may be subject to heavy cash flow dependency, defaults by borrowers and self liquidation. The ability to trade REITs in the secondary market can be more limited than other stocks.

Impact of Governmental Regulation

Governmental authorities at all levels are actively involved in the promulgation and enforcement of regulations relating to taxation, land use and zoning and planning restrictions, environmental protection and safety and other matters. The institution and enforcement of such regulations could have the effect of adversely affecting the value of any of a Portfolio's assets affected thereby.

Foreign Exchange/Currency Risk

The Portfolio will invest in a wide range of currencies. The Net Asset Value of the Portfolio will fluctuate in accordance with the changes in the foreign exchange rate between the base currency of the Portfolio, the US Dollar, and the currencies in which the Portfolio invests. The Portfolio will therefore be exposed to substantial foreign exchange/currency risk.

Currencies are known to be volatile assets, subject to extreme movements. Since the Portfolio primarily invests in these assets, its volatility is bound to reflect the volatility features of the currencies in which it invests.

Failure of Exchanges and Clearinghouses

The Portfolio is subject to the risk of the failure of any of the exchanges on which its positions trade or of the clearinghouses for such exchanges.

Availability of Investment Strategies

The success of the Portfolio's investment activities will depend on the Investment Advisor's ability to identify undervalued investment opportunities, as well as to assess the import of news and events that may affect the financial markets. Identification and exploitation of the investment strategies to be pursued by the Portfolio involves a high degree of uncertainty. No assurance can be given that the Investment Advisor will be able to locate suitable investment opportunities in which to deploy all of the Portfolio's assets. A reduction in money market liquidity or the pricing inefficiency of the markets in which the Portfolio will seek to invest, as well as other market factors, will reduce the scope for the Portfolio's investment strategies.

Concentration of Investments

Although it will be the policy of the Portfolio to diversify its investment portfolio, the Portfolio may at certain times hold relatively few investments. The Portfolio could be subject to significant losses if it holds a large position in a particular investment that declines in value or is otherwise adversely affected, including default of the issuer.

Reliance on Key Staff

The investment performance of the Portfolio will be dependent on the services of certain key employees of the Investment Advisor. In the event of the death, incapacity or departure of any of these individuals, the performance of the Portfolio may be adversely affected.

Valuation Risk

The Portfolio may, under certain circumstances described under "Calculation of Net Asset Value" on page 44 of the Prospectus, value certain of its investments at their probable realisation value calculated with care and in good faith by a competent person approved for that purpose by the Trustee, which may include the Investment Advisor or Risk Advisor. Estimates of the fair value of 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 prices of the investments, even when such sales occur very shortly after the Valuation Point. Such investments may be valued at their probable realisation value for considerable periods of time before further information or quotes become available which may have a substantial effect on the valuation of that date. No adjustment will be made to prior valuations.

There may be an inherent conflict of interest between the involvement of the Investment Advisor and/or Risk Advisor in determining the value of such investments and their other responsibilities.

Redemption of Units

In the event that there are substantial redemptions of Units within a limited period of time, the Manager may find it difficult to adjust its asset allocation and trading strategies to the

suddenly reduced amounts of assets under management. Under such circumstances, in order to provide sufficient funds to pay redemptions, the Manager may be required to liquidate or close out positions at inappropriate times or on unfavourable terms. On an ongoing basis, irrespective of the period over which substantial redemptions occur, it may be more difficult for the Portfolio to generate profits operating on a smaller asset base.

Transaction Costs

The Portfolio's investment approach may involve a high level of trading and turnover of the Portfolio's investments which may generate substantial transaction costs which will be borne by the Portfolio.

Limited Operating History

The Portfolio will commence operations on or around the close of the Initial Offer Period. For this and other reasons, there can be no assurance that the Portfolio will achieve its investment objective. The investment policy of the Portfolio should be evaluated on the basis that there can be no assurance that the Investment Advisor's assessments of the short-term or long-term prospects of investments will prove accurate.

Investment and Trading Risks in General

All investments present a risk of loss of capital. The Investment Advisor believes that the investment policy of the Portfolio and the Investment Advisor's research techniques moderate this risk through a careful selection of investments. However, the Investment Advisor may employ such limited diversification. Such practices can, in certain circumstances, increase the adverse impact to which the Portfolio may be subject. No guarantee or representation can be made that the investment program of the Portfolio will be successful.

Taxation

Potential investors' attention is drawn to the taxation risks associated with investing in the Portfolio. See section headed "Taxation".

Financial Derivative 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 programs 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 Portfolio's securities and (4) the possible absence of a liquid market for any particular instrument at any particular time, and (5) possible impediments to effective portfolio management or the ability to meet redemption.

Liquidity of Financial Derivative Contracts

Derivative positions may be illiquid because certain exchanges limit fluctuations in certain 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 derivative contract has increased or decreased by an amount equal to the daily limit, positions in the derivative can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent the Portfolio from liquidating unfavourable positions.

Options Risk

The Investment Advisor may engage in various portfolio hedging strategies on behalf of the Portfolio through the use of options. On execution of an option the Portfolio may pay a premium to a counterparty. In the event of the insolvency or bankruptcy of the counterparty, the option premium may be lost in addition to any unrealised gains where the contract is in the money.

Over-the-Counter Markets Risk

Where the Portfolio acquires securities on over-the-counter markets, there is no guarantee that the Portfolio will be able to realise the fair value of such securities due to their tendency to have limited liquidity and comparatively high price volatility.

Counterparty Risk

The Portfolio will have credit exposure to counterparties by virtue of investment positions in options and forward exchange rate and certain other contracts held by the Portfolio. To the extent that a counterparty defaults on its obligation and the Portfolio 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.

Past performance of similar investments is not necessarily a guide to the future performance of the Portfolio's investments. The value of any investment can go down as well as up.

The foregoing risk factors do not purport to be a complete enumeration or explanation of the risks involved in an investment in the Portfolio. Prospective investors must read this entire Prospectus and must consult with their own advisors before deciding to subscribe for Units.

Potential investors should be aware that an investment in the Portfolio may be exposed to other risks of an exceptional nature from time to time.

Efficient Portfolio Management

The Manager may, on behalf of each Portfolio, employ techniques and instruments relating to transferable securities and money market instruments under and in accordance with conditions or requirements imposed by the Financial Regulator, provided that such techniques and instruments are used for efficient portfolio management purposes. Such techniques and instruments may include foreign exchange transactions which alter the currency characteristics of transferable securities held on behalf of the Portfolio. The Manager may also employ (subject to the conditions and within the limits laid down by the Financial Regulator) techniques and instruments intended to provide protection against exchange risks in the context of the management of the Portfolio's assets and liabilities. The manner in which the Manager intends to use techniques and instruments are set out in Investment Policy and Currency Hedging sections of this Supplement.

For the purpose of providing margin or collateral in respect of transactions in techniques and instruments, the Trustee may transfer, mortgage, charge or encumber any assets or cash forming part of the Portfolio.