

ROYAL BANK OF CANADA
INTERNATIONAL CURRENCIES FUND LIMITED

SCHEME PARTICULARS

These scheme particulars are valid as at 1st May 2009.

These Scheme Particulars are prepared in accordance with Schedule 2 of the Collective Investment Schemes (Class A) Rules 2002 as amended (the “CIS Rules”) as issued by the Guernsey Financial Services Commission (the “Commission”) pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987 (the “Law”) and in accordance with the regulations made pursuant to the United Kingdom Financial Services and Markets Act 2000 (the “Act”). These Scheme Particulars are deemed to constitute an investment advertisement as defined under Section 21 of the Act and its issue has been approved by RBC which is regulated by the Financial Services Authority.

These Scheme Particulars will be reviewed periodically and may be subject to change from time to time. The up-to-date Scheme Particulars can be viewed on our web site at www.rbcwminternational.com. These Scheme Particulars constitute an invitation to investors to subscribe for Participating Redeemable Preference Shares of US\$0.01 each (“Shares”) in the Fund at the price per Share ruling on the relevant Subscription Day, subject to the Fund’s Memorandum and Articles of Association, the Management and Administration Agreement and the Trustee Agreement (collectively hereinafter referred to as the “Principal Documents”) and upon the terms of these Scheme Particulars.

The scheme was authorised by the Commission under the Law on 30th December 1988. In giving this authorisation the Commission does not vouch for the financial soundness of the scheme or for the correctness of any of the statements made or opinions expressed with regard to it. No persons are authorised to give any information or to make any representation not contained in these Scheme Particulars, or otherwise authorised by the Directors, in connection with matters described herein and, if given or made, such information or representation must not be relied upon as having been authorised by the Fund, its Directors or the Manager.

These Scheme Particulars do not constitute an offer or solicitation to any one in the Cayman Islands or any other 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. Certain products and services may not be available to clients resident in certain jurisdictions. In particular, the Shares have not been registered under the United States Securities Act of 1933, as amended, or otherwise registered with any provincial authority in Canada. Accordingly, residents or citizens of the United States of America or residents of Canada cannot invest in the fund. The Company does not provide investment services to residents of Canada or the USA. Should an existing investor, who invested in the Fund whilst residing overseas, subsequently relocate to either Canada or the USA, then the holding in the Fund would have to be fully redeemed at that time or transferred to another RBC company that is authorized to carry on investment business in the country in question. The above also applies to any Client who takes up residence in a country where the Company is not permitted or authorised to provide investment products or services to residents of that country. Potential investors should firstly ensure that their request of the Manager for details about the Fund and/or their subsequent investment in the Fund does not contravene any legislation pertaining in such country or affecting either directly or indirectly any national or resident of such country or its territories, possessions or any area subject to its jurisdiction.

Potential investors in the United Kingdom should note that effecting a transaction in shares in the Fund will exclude them from the benefit of rights designed to protect investors under the Act and under the rules of the Financial Services Authority (“FSA”). In particular such investors will lose:- the right to claim through the Financial Services Compensation Scheme for losses resulting from a default of obligations owed under FSA’s Rules; access to FSA’s Financial Ombudsman Service; and protection of money held on your behalf under the Client Money Regulations.

However, the Fund is authorised as a Class A scheme in Guernsey and similar protections as those mentioned above are provided by The Protection of Investors (Bailiwick of Guernsey) Law, 1987 and the Rules made thereunder.

If you are in any doubt about the contents of these scheme particulars you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisor.

It should be noted that the price of shares and the amount of income distributed thereon may go down as well as up. The fund has no obligation to redeem shares at the subscription price originally paid.

In order to save unnecessary costs being incurred by the Fund, the Directors of the Fund have determined that where material changes are made to the Scheme Particulars and advised to Clients, not to enclose a full printed copy of the revised Scheme Particulars. A full copy (of the revised Scheme Particulars) will be made available upon request or can be obtained by visiting our website at www.rbcwminternational.com.

Unless the context otherwise requires, words and expressions contained in these Scheme Particulars shall bear the same meaning as ascribed to them in the Fund’s Principal Documents.

The Manager

The Manager is Royal Bank of Canada Trust Company (Cayman) Limited incorporated as a company with limited liability in the Cayman Islands on 12th June 1972. It is a wholly owned subsidiary of RBC, which is incorporated in Canada, having its registered office/head office at 1 Place Ville Marie, Montreal, Quebec, Canada. The issued share capital of the Manager is 3 million shares at 1 dollar par value issued and paid. The registered office of the Manager is at P.O. Box 1586GT, Royal Bank of Canada Building, 24 Shedden Road, George Town, KY1-1110, Grand Cayman, Cayman Islands, British West Indies. The Directors of the Manager are Mike Lagopolous, Harry Chisholm, Ross McDonald, Michael Moodie, Deanna Bridwell, Gordon Anderson and Elizabeth Dorsch who are all personnel of RBC.

Under the terms of the Management and Administration Agreement dated 30 August 1991 (the “Management Agreement”) the Manager is permitted to trade in Shares and to satisfy investor’s applications for Shares either from its own holding of Shares or by procuring the Fund to issue such Shares. Conversely, upon a Holder wishing to redeem his holding, the Manager may acquire such Shares for its own account, or alternatively procure the Fund to cancel such Shares. Whilst the Manager may only trade in such Shares on a Subscription Day and at prices calculated in accordance with the CIS Rules, it is under no obligation to account to any person for any profit it makes on the issue of Shares or the reissue or cancellation of Shares which it has repurchased.

Under the Management Agreement the Manager is entitled to receive a periodic charge of up to maximum of 1% per annum of the value of the Scheme Property in each Class, calculated and accrued at each valuation point and payable pro rata on a monthly basis. Any increase in the maximum of the Manager’s periodic charge is subject to the passing of an appropriate resolution at a meeting of Holders. At present the Manager has agreed to waive a portion of its entitlement and the current periodic charge in respect of each Class is 0.75% per annum of the value of the Scheme Property. If the Manager wishes to increase the periodic charge up to its full entitlement in respect of each class this can only be done after the Manager has given three months’ prior notice to all Holders.

The appointment of the Manager under the Management Agreement shall continue until terminated in accordance with the Principal Documents and the CIS Rules. The Manager shall have the right, upon such termination and so long as the Manager remains a subsidiary of RBC, to require the Fund to change its

name and otherwise remove from all relevant literature any corporate emblem or trade mark associated with the Manager.

Under the terms of the Management Agreement, the Manager shall not be liable to the Fund or any shareholder or otherwise for a failure in discharging its functions in respect of the Fund to the extent that the Manager has exercised due care and diligence. Further, the Manager shall not be required to take any legal action on behalf of the Fund unless fully indemnified by the Fund in any reasonable amount and form satisfactory to the Manager.

The Manager has delegated the majority of its functions to the Administrator. Under the Law and the CIS Rules the Manager is the Principal Manager. For the purposes of the Act the address of the place in the United Kingdom for the service on the Manager or the Fund of notices or other documents required or authorized to be served upon them under the Act and as notified to the Financial Services Authority is the Compliance Officer, Royal Bank of Canada (Europe) Limited, 71 Queen Victoria Street, London, EC4V 4DE.

Administrator, Secretary and Registrar

The Administrator, Secretary and Registrar (“Administrator”) is RBC Offshore Fund Managers Limited, registered number 8494, incorporated as a company with limited liability in Guernsey on 31st January 1980 and licensed under the Law to carry on controlled investment business in the Bailiwick of Guernsey. Its registered Office is at Canada Court, Upland Road, St Peter Port, Guernsey.

The issued share capital of the Administrator is £75,000 of which £275,000 has been paid up by way of share capital and premium. It is a wholly owned subsidiary of RBC incorporated as a company with limited liability in Canada and whose registered address is 1 Place Ville Marie, Montreal, Quebec, Canada. The Directors of the Administrator are Alexander T Ward, Managing Director; Robin Amer, Deputy Managing Director, Ronald W Nutter, (Chairman), Vice President and Global Head of Corporate & Institutional Business, Alan Brint, Senior Manager, Corporate and Institutional, British Isles, Kevin Flanagan, Head of Investments, RBC International Wealth Management, and Jon Bridel, Managing Director, RBC Investment Solutions (CI) Limited (formerly known as Royal Bank of Canada Investment Management (Guernsey) Limited). All Directors are employees of RBC.

Under the terms of the Management Agreement the Manager has appointed the Administrator to carry out all its functions, powers, discretions, duties and obligations under the Agreement and in so doing the Administrator is empowered and appointed as the Manager’s agent to do all acts and things and execute all documents as may be required to be done or executed by the Manager under the terms of the Agreement. The Administrator is appointed by the Directors of the Fund as the Fund’s Secretary and Registrar. The remuneration of the Administrator is met by the Manager out of its own remuneration.

The appointment of the Administrator may be terminated, subject to the CIS Rules, by the Administrator upon six month’s notice and by the Fund, with the approval of the Manager, upon one year’s notice or by either party with no notice in certain circumstances including if either party goes into liquidation.

Under the terms of the Management Agreement, the Administrator will be indemnified by the Fund against all claims and demands in respect of any loss or damage arising directly or indirectly out of any error of judgment or oversight or mistake of law on the part of the Administrator in the absence of the Administrator’s negligence, wilful misfeasance, default or bad faith.

For the purposes of the Law and the CIS Rules the Administrator is the Designated Manager.

The Trustee

The Trustee is Northern Trust (Guernsey) Limited, a company incorporated with limited liability in Guernsey on 19th September, 1972 and having its registered office at Trafalgar Court, St Peter Port, Guernsey, Channel Islands, GY1 3DA. The Trustee is a wholly owned subsidiary of Northern Trust Corporation, based in Chicago. The Trustee has an issued and fully paid up share capital of £10 million.

The Trustee provides a full range of banking and custodial services. It is licensed by the Commission under the Law to act *inter alia* as custodian or trustee of Guernsey based collective investment schemes. It is also licensed under the provisions of The Banking Supervision (Bailiwick of Guernsey) Law, 1994 as a deposit taking institution.

Under the terms of a Supplemental Trust Deed made between, inter alia, the Manager and the Trustee dated 23 August 2001, supplemental to the Trust Deed the Trustee has agreed to act as Trustee of the Fund in accordance with the provisions of the Trust Deed and the CIS Rules. The fees of the Trustee are paid by the Manager out of the scheme property.

The Trustee is also entitled to reimbursement out of the scheme property of certain expenses incurred by it exclusively in the performance of its duties. Such expenses include, but are not limited to, the fees and expenses of its agents used to hold investments outside of Guernsey, expenses in relation to safe custody and insurance, and expenses incurred in the collection, allocation or distribution of income. The Trustee is entitled to be reimbursed the costs of any legal advisers, accountants, valuers or other consultants retained to advise the Trustee in connection with its duties.

The Trustee may appoint sub-custodians to hold the assets of the Fund. The Trustee will exercise reasonable skill, care and diligence in the selection, appointment and monitoring of such sub-custodians and will be responsible to the Fund, for the duration of any agreement with a sub-custodian for satisfying itself as to the ongoing suitability of the sub-custodian to provide custodial services to the Fund.

The Trustee will remain liable for the acts and omissions of its delegates, however, provided that the relevant provisions of the CIS Rules are complied with, the Trustee shall not be liable on account of the fraud or negligence or for the financial or other failure of any of its delegates or for any loss or damage that may result from the appointment of any such person in respect of the scheme property.

The appointment of the Trustee shall continue until the Trustee retires or is replaced. Under the CIS Rules the Trustee is not entitled to retire voluntarily other than upon the appointment of a new trustee.

Sub-Custodian

The Trustee has appointed Royal Bank of Canada (Channel Islands) Limited as Sub-Custodian of the Fund pursuant to a sub-custodian agreement made between the Fund, the Trustee and the Sub-Custodian dated 23 August 2001 (the “Sub-Custodian Agreement”). Royal Bank of Canada (Channel Islands) Limited was incorporated with limited liability in Guernsey on 10 July 1973 and having its registered office at Canada Court, Upland Road, St Peter Port, Guernsey, Channel Islands, GY1 3BQ. The issued share capital of the company is £5,000,000 of which £7.5 million have been paid by way of share capital and premium. The Sub-Custodian is a wholly owned subsidiary of RBC, a company incorporated in Canada having its registered office at 1 Place Ville Marie, Montreal, Quebec, Canada. The Sub-Custodian is licensed in Guernsey as a Bank and is also licensed by the Commission under the Law to carry on controlled investment business in the Bailiwick of Guernsey as a Custodian of Collective Investment Schemes. Under the terms of the Sub-

Custodian Agreement, the fees of the Sub-Custodian will be paid by the Manager. Insofar as permitted by the CIS Rules the Sub-Custodian is also entitled to reimbursement out of the Scheme Property of fees, expenses and disbursements incurred by it in the performance of its duties. Such fees will include a transaction fee of USD\$100 per transaction in respect of securities settlements.

The Sub-Custodian Agreement may be terminated by the Trustee or the Sub-Custodian upon giving the other not less than three months' notice in writing or by no notice at all in certain circumstances including where either party goes into liquidation. In the absence of actual fraud, negligence or wilful default on its part, the Sub-Custodian Agreement provides that the Sub-Custodian will be indemnified by the Trustee out of the Scheme Property for any loss or damage suffered by the Sub-Custodian arising directly or indirectly out of any error of judgment or oversight or mistake of law of the Sub-Custodian.

The Investment Adviser

The Investment Adviser to the Directors of the Fund and the Manager is RBC Investment Solutions (CI) Limited (formerly known as Royal Bank of Canada Investment Management (Guernsey) Limited). The Investment Advisor is a company incorporated in Guernsey and its registered office is at Canada Court, Upland Road, St Peter Port, Guernsey. Like the Manager, the Investment Advisor is a member of RBC.

Under the terms of its appointment dated 30th August 1991 the Investment Adviser undertakes to provide the Manager and the Directors with advice as to the type of security and balance of each currency Class. The Investment Adviser has no discretionary authority in respect of Scheme Property. The remuneration of the Investment Adviser is paid by the Manager out of its own remuneration. The Investment Adviser is not an "authorised person" within the meaning of the Act.

Auditor

The Auditors are Deloitte & Touche, P.O. Box 137, Regency Court, Glatigny Esplanade, St Peter Port, GY1 3HW.

Legal Adviser

Advisers to the Fund on Guernsey legal and regulatory issues are Ozannes, 1 Le Marchant Street, St Peter Port, Guernsey, GY1 4HP.

Conflicts of Interest

The services of the Manager, Administrator, Trustee and other service providers are not exclusive. Further, any of the foregoing and their associates may deal with the Fund as principal, subject only to the compliance with such of the rules (if any) as are applicable.

The Register

The Register of Holders may be inspected during normal business hours at the offices of the Registrar, namely RBC Offshore Fund Managers Limited at Canada Court, Upland Road, St Peter Port, Guernsey.

Constitution and Objectives of the Fund

The Fund shall be known by the name *Royal Bank Of Canada International Currencies Fund Limited*.

The Fund was incorporated as a company with limited liability in the Cayman Islands on the 11th November 1982. All Shares remaining in issue will be compulsorily redeemed on the first Dealing Day in January 2082 at the redemption price on that day.

The Fund has been incorporated with a view to providing small, medium and large investors with an alternative instrument for the

deployment of liquid assets in either the currency or currencies of their choice.

The Fund is structured to operate in a similar manner to an open-ended unit trust or mutual fund with two separate Classes of assets. The assets attributable to each separate Class of Shares, each representing a separate class of Shares (a "Currency Class"), will be maintained solely in the currency of designation.

The currency Classes offered for subscription are:- U.S. Dollar Shares and Sterling Shares. The Directors have the power to introduce further Currency Classes.

It should be noted that Royal Bank of Canada International Currencies Fund Limited is an umbrella fund and the various currency classes are not "ring fenced". In the event of an umbrella fund being unable to meet liabilities attributable to any particular sub-class out of the assets attributable to such sub-class, the excess liabilities may have to be met out of the assets attributable to the other sub-classes.

Aaa Rating

Moody's Investor Services has assigned an Aaa rating to each Class of the Fund. This rating reflects the Fund Manager's focus on investment quality, including the maintenance of a high level of liquidity.

Authorisation

The Fund is authorised as a Class A Scheme by the Commission pursuant to the Law and the CIS Rules made thereunder. Investors are eligible, in certain circumstances, for the payment of compensation under the Collective Investment Schemes (Compensation of Investors) Rules, 1988 made under the Law. The Fund is recognised in the United Kingdom for the purposes of Section 87 of the Act.

Share Capital

- (i) The Authorised share capital of the Fund is US\$500,100 divided into 100 Management Shares of US\$1.00 each and 50 million Unclassified Shares of US\$0.01 each.
- (ii) Management Shares have been created so that Participating Redeemable Preference Shares may be issued with preference over another class of capital. Management Shares carry one vote each on a poll; receive no dividends; in a winding-up rank only for return of paid-up capital after the return of paid-up capital on Participating Shares and Nominal Shares; have the exclusive right to veto any resolution to change the name of the Fund; are not redeemable and have all been issued to the Manager.
- (iii) Unclassified Shares may be issued either as Participating Shares or Nominal Shares.
- (iv) Participating Redeemable Preference Shares and fractions thereof (hereinafter referred to as "Shares") carry no right to a dividend and neither does any other type of share. Each Holder of a Share is entitled, on a poll to one vote for each Share held and, in a winding-up has a preferential right of return of paid up nominal capital before the return of paid-up nominal capital on Nominal and Management Shares, and a right to share in surplus assets.
- (v) Nominal Shares and fractions thereof are only created at par for the purpose of providing funds for the repayment of the nominal amount of Shares redeemed. Nominal Shares receive no dividend and in a winding-up have the right to repayment of paid-up capital before Management Shares. All Nominal Shares are held by the Manager who, at a meeting of the Fund is entitled to one vote irrespective of the number of such shares held. The Manager at its discretion may convert Nominal Shares into Shares for sale to investors.

Directors

The Directors of the Fund are: Alexander T Ward, Managing Director; Robin Amer, Deputy Managing Director, Ronald W Nutter, (Chairman), Vice President and Global Head of Corporate & Institutional Business, Alan Brint, Senior Manager, Corporate and Institutional, British Isles, Kevin Flanagan, Head of Investments, RBC Wealth Management International, and George Riley, Director, RBC Investment Solutions (CI) Limited (formerly known as Royal Bank of Canada Investment Management (Guernsey) Limited). All Directors are employees of RBC.

Directors of the Fund may also be Directors of the Administrator. As such they all have an interest in the promotion of the Fund.

There are no existing or proposed service agreements between the Fund and any of its Directors. A Director is not required to hold any shares by way of qualification or to retire at any specified age. The Directors shall be entitled to such remuneration as may be voted by the Members in general meeting and they may also be reimbursed for all expenses properly incurred by them in connection with the business of the Fund. Currently no director's fees are paid.

The Articles of Association of the Fund contain provisions to the following effect;

- (a) a Director may hold any other office or place of profit under the Fund (other than the office of auditor) in conjunction with his office of Director on such terms as to tenure of office or otherwise as the Directors may determine;
- (b) a Director may contract with the Fund and no such contract or any contract or arrangement in which any Director is in any way interested shall be liable to be avoided;
- (c) any Director may act by himself or his firm in a professional capacity for the Fund (other than auditor) and he or his firm shall be entitled to remuneration for such professional services;
- (d) a Director may not vote in respect of any contract or arrangement in which he is interested, nor may he be counted in a quorum, except in certain special cases as set out in the Articles.

Investment Objective

The objective of each Class is to combine subscriptions to form substantial amounts in order that each Class can participate in higher rates of interest normally offered for large sums of money and thus provide a net return over a spread of maturities higher than usually available to individuals investing smaller amounts.

INVESTMENT RESTRICTIONS AND LIMITATIONS

The Fund may invest only in investments permitted under the CIS Rules for money market funds and must comply with the relevant restrictions and limitations imposed by the CIS Rules, the main ones being set out below. Such restrictions apply separately to each Class of the Fund. The meaning of certain of the terms included in the following section can be found in the Glossary of Terms in Appendix 2 of this document.

- (i) Up to 80% in value of a Class's property may consist of transferable securities.
- (ii) At least 35% in value of a Class's property must consist of instruments or deposits which are redeemable or repayable within two weeks or capable of being transferred without the consent of a third party (any issuer being regarded as a third party for this purpose).

The Fund, being a money market fund, may comprise the following assets:

- (a) cash and near cash, "near cash" being money, deposits or investments which fall within any of the following:
 - (i) money deposited with an approved bank which is in a current account or a deposit account, if the money can be withdrawn immediately and without payment of a penalty exceeding seven days' interest calculated at ordinary commercial rates;
 - (ii) certificates of deposit issued by an approved bank if immediately redeemable at the option of the holder of the certificate of deposit;
 - (iii) Government and other public securities, if redeemable at the option of the holder of the security or bound to be redeemed within two years;
 - (iv) a bill of exchange issued by any government or body within the definition of "Government and other public securities"; and deposits with a local authority of a kind which fall within paragraph 9 of part II of the first schedule to the United Kingdom Trustee Investments Act 1961, and equivalent deposits with any local authority in a member State, if the money can be withdrawn immediately and without payment of a penalty as described in sub-paragraph (i);
- (b) bills of exchange accepted by an approved bank, if repayable within twelve months;
- (c) investments being, broadly, debentures, debenture stock, loan stock, bonds, certificates of deposit, and other instruments creating or acknowledging the indebtedness of a company or public sector body (but not certain instruments or investments, as specified in paragraph 2(1) (b) of Schedule 1 to the Law, a full extract of which is set out in the Glossary), which are repayable within twelve months, are not subordinated and are either approved securities, being transferable securities, but which are broadly certain securities and derivatives which are admitted to official listing on the Channel Islands Stock Exchange, or in a member State or are traded on or under the rules of an eligible securities market (otherwise than by virtue of the specific permission of the market authority) or else are issued by an approved bank otherwise than in return for a deposit in paragraph (a); and
- (d) a deposit which would be within paragraph (a) except that it is repayable within six months (instead of immediately and without payment of a penalty exceeding seven days' interest calculated at ordinary commercial rates).

In addition, the Fund is entitled to invest in nil paid or partly paid transferable securities provided that it is reasonably foreseeable that the amount of any existing or potential call for any sum unpaid could be paid at the time payment is required without contravening the CIS Rules.

The following restrictions apply in relation to the spread of assets of the Fund:

- (i) Up to 5% in value of a Class's property may consist of instruments issued by any one issuer, although this limit does not apply to instruments which are Government and other public securities.
- (ii) Up to 10% in value of a Class's property may be kept on deposit with any one person. For this purpose the Trustee and its associates are regarded as one person and the Manager and its associates are regarded as another person. The limit of 10% may be regarded as 20% if the person is an approved bank (but not being the Trustee or the Manager or

any of their associates), provided that the amount of the deposit does not exceed 10% of that person's issued capital and reserves as shown in its most recently published annual accounts.

- (iii) The limits in paragraph (ii) do not apply in respect of any deposit of up to £1,000,000 or the equivalent amount in the base currency of a Class other than sterling with any one person.
- (iv) Where 35% or less of the property of a Class is invested in Government and other public securities issued by any one issuer, there is no limit on the amount which may be invested in such securities or such securities issued by any one issuer or of any one issue. Where, however, the property of a Fund is invested as to more than 35% in such securities issued by any one issuer, then up to 30% of the Fund's property may consist of such securities of any one issue and the Fund's property must include such securities issued by that or another issuer of at least six different issues. In this paragraph, issue, issued and issuer include guarantee, guaranteed and guarantor and an issue differs from another if there is a difference as to repayment date, rate of interest, guarantor or other terms of the issue.
- (v) In this connection the directors have determined that the Fund and each Class may (and does) from time to time invest more than 35% of its assets in the securities issued by the following [member States, local authorities and/or public international bodies]:

Efficient Portfolio Management

Notwithstanding the above restrictions and limitations, the Fund is permitted under the Rules to utilise techniques and instruments for efficient portfolio management ("EPM"). Such transactions must be for the reduction of risk, the reduction of cost, and/or the generation of additional capital or income for the scheme with no, or with an acceptably low level of, risk. All such transactions must be economically appropriate and fully covered. This would permit a Class to enter into certain derivative-type transactions and employ certain techniques including, but not limited to, futures, options, repurchase/reverse purchase agreements, forward currency contracts and forward foreign exchange contracts.

Borrowings

The Manager may procure a borrowing for a Currency Class but only up to 10% in value of its Scheme Property, and always in accordance with the terms of the CIS Rules and never for the purposes of gearing up the Currency Class. Borrowings may be incurred when the cost of an investment acquired is required to be paid before the proceeds from the realisation or maturity of some other investment has been received or there are known to be other moneys which will become part of the respective Currency Class within one month; or otherwise to meet the payment of proceeds upon the cancellation of Shares pending receipt of the proceeds from the realisation of an investment due within one month, or there are known to be other moneys which will become part of the respective Currency Class within one month. All costs so incurred will be met out of the respective Currency Class.

Termination of the Fund

The Fund may be terminated by any of the following events;

- (a) if required so to do by the Commission;
- (b) by the passing of an Extraordinary Resolution requiring such to occur;
- (c) upon the first Dealing Day in January 2082 unless prior thereto an Extraordinary Resolution is passed by the Members postponing termination;

- (d) at the option of the Directors of the Fund if its Net Asset Value is less than US\$20 million for a period of 12 consecutive Dealing Days;

On termination, the assets available for distribution shall firstly be applied in the payment of nominal value paid up thereon to Holders of Shares, secondly to holders of Nominal Shares and thirdly to holders of Management Shares and then after distributing any over provision in the Management Fund to the holders of Management Shares all surplus assets remaining in each Currency Class shall be distributed among the Holders of Shares *pari passu* their respective holding of Shares in each respective Currency Class; the whole being done in accordance with the Principal Documents and the CIS Rules.

In addition, if at any time the Directors determine it to be impractical or uneconomic or otherwise not in the interest of any currency Class of the Company as a whole to continue a particular currency Class the Company may, by notice to all holders of participating shares of the Class concerned, redeem all shares on a nominated dealing day.

Accounting Date

The Annual Accounting Date of the Fund is 31 October and the Interim Accounting Date is the 30 April in each year, or such other date or dates as the Directors shall determine from time to time after having given due notice to all Holders.

Eligible Markets

The Fund has the power to invest in any securities market or deal on any derivatives market which is an eligible securities or eligible derivatives market and those markets are listed in Appendix 1. For the definition of eligible securities and derivatives markets see the Glossary in Appendix 2.

Characteristics of a Share

Shares which investors may subscribe for are issued as Participating Redeemable Preference shares with a nominal share capital of US\$0.01 (herein referred to as "Shares"). Fractions of a Share are also issued and a fraction of a Share ranks *pari passu* with a whole Share. Four different Classes of Shares are in issue, each Class representing a different Currency Class (the "Classes"). The Scheme Property represents all the assets of the Classes to the exclusion of moneys subscribed for nominal share capital on Management Shares and Nominal Shares, and one Share represents one undivided share of the Scheme Property of the particular Class to which the Share belongs and a fraction of a Share ranks *pro rata*. Title to Shares is as inscribed in the Register (an inscribed holding) and certificates are not normally issued. Holders wishing to receive a certificate may obtain one upon special request of the Administrator.

Voting Rights

At any meeting of Holders a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is demanded by the Chairman or by one or more of those present in accordance with the Fund's Articles. On a poll a Holder of Shares shall have one vote for each share held and a fraction of a vote for any fraction of a Share held. A Holder of Shares may be represented by a proxy at such meetings provided that evidence of the appointment of a proxy is received by the Fund at least 48 hours prior to the relevant meeting.

At any meeting of Holders and depending upon the resolutions to be considered at such meeting the individual Share classes for each Currency Class might meet and vote separately before meeting and voting together with all the members of the Fund.

The Manager as the holder of all Management Shares in issue shall have a vote in respect of each such share held. The Manager as holder of all the Nominal Shares in issue shall only have one

vote in respect of all such shares held regardless of the number in issue.

VALUATION

The Scheme Property of each Class is valued at 9 a.m., (“the Valuation Point”) on each Dealing Day, using the prices as at close of business of the preceding day. A Dealing Day is any day that banks in Guernsey are open for business. In normal circumstances the subscription and redemption price for a Share of a particular Class will be the same.

To ensure fairness between shareholders of any Class, however, it may be necessary in certain circumstances for the subscription price to be higher than the redemption price in a particular Class. For example, if in order to meet redemptions it is necessary to realise investments prematurely, any penalties or losses incurred may be reflected in the redemption price of the Shares concerned.

Shares of each Class are valued by calculating the value of the Scheme Property of the relevant Class in accordance with the CIS Rules so as to determine the Net Asset Value as at the Valuation Point; adding thereto such provision as the Manager and the Administrator consider an appropriate provision for duties and charges which would be incurred on the assumption that all the investments comprised within the relevant Currency Class were acquired at the Valuation Point on the same Dealing Day; and by dividing by the number of Shares in the Class in issue or deemed to be in issue as at the Valuation Point and rounding the resultant figure upwards to the next whole unit of the relevant unit of currency.

The most recent issue and redemption prices, calculated to four significant figures, are published daily in the Financial Times. Prices can also be obtained through the internet at www.rbcwminternational.com or by contacting the Administrator on telephone +44 1481 744141 or by e-mail to ofmis@rbc.com.

CHARGES

The fees of the Manager are described under the section headed **Manager**. The fees and expenses of the Trustee are described under the section headed **Trustee**. The fees of the Sub-Custodian are described under the section headed **Sub-Custodian**. The fees and expenses of the Directors are described under the section headed **Directors**. In addition the Fund will bear all other expenses incurred in connection with its operation which include but are not limited to the following:

1. The costs of dealing in the scheme property.
2. Interest on permitted borrowings and charges incurred in negotiating, effecting, varying or terminating the terms of such borrowing.
3. Taxation and duties payable in respect of the Scheme Property.
4. Any costs incurred in modifying the Principal Documents unless principally for the benefit of the Manager.
5. Any costs incurred in respect of meetings of shareholders.
6. Any charges reasonably incurred by the Trustee or Sub-Custodian in depositing or causing to be deposited any part of the scheme property in a country or territory outside Guernsey including insurance, transit and handling charges.
7. The fees and expenses of the auditors and any professional or legal advisors.

8. The fees of the Commission and of any regulatory authority in a country or territory outside Guernsey in which shares in the Fund are or may be marketed.
9. The costs incurred in preparing, printing and publishing the Scheme Particulars, annual and interim reports.
10. The costs incurred in keeping the register.
11. The costs incurred in the preparation and printing of certificates, tax vouchers, warrants, notice of meetings, proxy cards and contract notes.
12. The costs of obtaining a Moody’s rating.
13. The cost of publishing the share price in the Financial Times and other newspapers circulated in areas where shareholders are resident.
14. The costs of ensuring that the Scheme Particulars and Annual Report comply with the regulations in the jurisdictions in which the Fund has either been recognised or authorized.

The expenses, costs, fees and charges referred to above shall be calculated at cost. In respect of expenses which cannot be attributable to one or more classes, the expenses will be allocated amongst all the classes in such a way as the Manager, after consulting the Trustee, considers to be fair to the shareholders in each Class.

Distribution and Reports to Holders

No dividends are paid, the net income attributable to each Class of Shares being accumulated within the relevant Currency Class and being reflected in the price of those Shares. Annual Accounts up to 31 October each year will be distributed on or before the end of the following month of February. Interim Reports to 30 April in each year will be distributed by the end of the following month of June.

ISSUE AND REDEMPTION OF SHARES

The Fund’s Dealing Day is every day, Monday to Friday if a business day. A Business Day, being one on which the banks in Guernsey are open for business. The Administrator is available to receive requests for the issue and redemption of Shares on any business day at its registered office in Guernsey between the hours of 9am and 4pm. Details of the bank accounts to which payment should be made by electronic means are available from the Administrator. Shares in the Fund are un-certificated and a Holder’s evidence of title is as inscribed in the Register.

Upon making an application for Shares in the Fund an investor is required to nominate the method of payment he would like used for the eventual payment of redemption proceeds when the Shares are redeemed. Investors may redeem such Shares by advising the Administrator and payment will be made automatically in accordance with the details previously given. If the nomination form is not completed, and redemption is requested, the Administrator will be unable to pay away any proceeds until confirmation of the request to redeem is received by the Administrator in writing.

If an investor wishes to receive a certificate in respect of their Shares one will be issued upon written request being received by the Administrator. Any such certificate issued must be returned to the Administrator, duly endorsed, when the Shares are redeemed.

Application Procedure

The Administrator must be in possession of an Application Form and cleared monies before 4 p.m. on the business day immediately prior to a Dealing Day for Shares to be issued on that

particular Dealing Day. If cleared moneys are not available before that time Shares will not be issued without prior special arrangement with the Administrator. If an Application Form is not received by the Administrator and the Shares are subsequently sold, no redemption proceeds will be released until the omission has been rectified.

In order to avoid delay in the allocation of Shares applicants should ensure that the Administrator is simultaneously advised of any payments made direct to a Correspondent Bank. Subscriptions need not be made in the currency of the Class of Share applied for but will be converted by the Administrator for the account and responsibility of the applicant through arrangements with the Trustee. The Administrator is only deemed to be in receipt of cleared funds for the purpose of settlement once such Conversion has taken place. In normal circumstances conversions are completed in two business days. Applications for Shares must be for not less than the following amounts:-

| All Cash Amounts | Additional Subscription |
|---|---|
| The initial subscription for each class is US\$10,000 or currency equivalent. | Additional Subscriptions for each class are a minimum of US\$1,000 or currency equivalent |

Prevention of Money Laundering

Under current legislation, to prevent money laundering, persons conducting investment business are obliged to comply with anti-money laundering regulations. Accordingly the Administrator will request such information and documentation as it considers is necessary to verify the identity of a subscriber in accordance with the Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999 as amended, and the 2007 Handbook for Financial Services Businesses on Countering Financial Crime and Terrorist Financing and pursuant thereto as amended from time to time. The Administrator will not accept applications without such verification. A certified copy of the investors passport or identity document, along with an original or certified copy of a document (such as a utility bill) verifying the investors address, should accompany any initial application.

The Client must also confirm that the Client has notified the Manager in writing if the Client is opening or operating the Investment Account on behalf of any third party or parties or in any capacity other than its own sole personal capacity and has provided the Manager with the name or names of the third party or parties concerned.

The Client acknowledges that the Manager reserves the right to refuse to open or continue to operate any Investment Account that the Client wishes to operate on behalf of any third party or parties at the Manager's absolute discretion. The Manager may do this without giving the Client any reason.

Redemption Procedure

Shares of each Class may be redeemed on any Dealing Day for settlement, which is normally two business days after the relevant Dealing Day, by giving notice to the Administrator specifying the number and Class of Share to be redeemed. Notice must be received before 4 p. m. on the business day immediately prior to a Dealing Day for redemption to take place on that Dealing Day. Notices of redemption received after such time will be held over until the next but one Dealing Day.

Proceeds of the redemption of shares will be paid to the unitholders in the base currency within two business days, by direct transfer to an account held in the unitholder's name. No third party payments will be made and unit holders requesting payment in another currency or by direct transfer may do so, but any costs incurred will be deducted by the Administrator from the amount being paid.

Any foreign exchange transactions carried out by the Administrator will normally be effected through the Sub-

Custodian as a bank and at the sole risk and responsibility of the Holder. Facilities in the United Kingdom at which a shareholder may obtain information about the Manager's most recently published sale and purchase prices of shares in the Fund, and at which shares may be redeemed and redemption proceeds obtained are maintained at the RBC Wealth Management offices of Royal Bank of Canada (Europe) Limited, 71 Queen Victoria Street, London EC4V 4DE.

A minimum of 7 days must elapse between subscription and redemption and, in respect of a subscription supported by a personal cheque or banker's draft, no redemption is allowed for a period of 21 days.

The Directors may in their absolute discretion, forcibly redeem any shares held by clients whom are deemed to be ineligible or no longer entitled to be clients. Such redemption of shares will take effect at a date decided by the Directors, having given reasonable notice to the Client concerned.

Specifically in the event that a client moves to a country where the Fund is not authorised or citizens of that country are not permitted to hold shares in the Fund, then the client's holding will be subject to compulsory redemption at the time the Fund becomes aware of their new circumstances.

Instructions

Instructions of the Client may be given in one of the forms stated below:

1. In writing

Instructions may be given to the Manager in writing, signed by the Client (or in the case of a joint Account by the person(s) indicated in the Application Form) in the English language and in a form acceptable to the Manager.

2. By facsimile

Instructions may be given by facsimile in the English language and in a form acceptable to the Manager, preferably in the Client's handwriting, by way of identification stating the name of the Client and/or number of the Account. Such instructions shall be signed by the Client (or in the case of a joint Account by the person(s) indicated in the Application Form). The Client agrees to send the original of the facsimile to the Manager immediately after despatch. Any failure to do so shall not prejudice the Manager's rights hereunder.

- (a) The account holder(s) indemnifies the Manager from and against all claims, actions, demands, liabilities, costs, charges, damages, losses, expenses and consequences of whatever nature which may be brought or preferred against the account holder(s) or that the account holder(s) may suffer, incur or sustain by reason of or on account of the Manager having so acted whether wrongly or mistakenly or not, or failing to act wholly or in part in accordance with such instructions;
- (b) The account holder(s) agree not to make any claim against the Manager by reason of or on account of the Manager having so acted or having acted wrongly or mistakenly or of the Manager's failure to act wholly or in part in accordance with such instructions;
- (c) The Manager shall be entitled to act or decline to act as it sees fit without incurring any liability should it receive any instructions that it considers ambiguous, conflicting or otherwise uncertain;
- (d) The account holder(s) agree that they will immediately send the Manager written confirmation of any such instructions, save that the non-receipt by the Manager of such written

confirmation shall in no way invalidate the indemnity provided above.

Compulsory Redemption of Shares

Shares may be redeemed in any of the following circumstances:

1. If the holder thereof is deemed by the Directors to either be holding such shares in breach of any Law or requirement of any country or governmental authority.
2. On the first subscription day in January 2082 at the redemption price prevailing on that day unless the members by Extraordinary Resolution have voted in favour of extending the life of the Fund.
3. If at any time on 12 consecutive dealing days the Net Asset Value of the whole Fund is less than \$20 million.
4. If the Directors consider that it is not practical or uneconomic or otherwise not in the interest of any currency Class to continue.

Conversions

There are no charges for conversions or any limit as to how many may be made.

Shares of any Class ("the original Class") in respect of which conversion instructions are received, will be converted into Shares of another Class ("the new Class") at the rate determined by the following formula:

$$NSH = \frac{OSH \times OSP \times EXR}{NSP}$$

NSP

Where:

NSH is the number of Shares of the new Class

OSH is the number of Shares of the original Class

OSP is the redemption price of Shares of the old Class

EXR is the exchange cross rate used by the Administrator on the relevant Dealing Day for valuing the Fund, and NSP is the subscription price of Shares of the new Class.

Holders should note that in no circumstances, once a conversion has taken place, will there be a right by law to withdraw from or cancel the transaction.

Suspensions

The Manager may declare a suspension of the redemption of Shares if trading on any securities market on which a substantial part of the investments of the Fund is normally traded is suspended or such market is closed; there is a breakdown on any of the means normally employed in ascertaining the value of investments; for any reason the value of a substantial part of the Fund's investments cannot be reasonably ascertained; circumstances exist as a result of which it is not reasonably practicable to realise any of the Fund's investments; or the remittance of the funds involved in the realisation of, or in the payment for investments or the subscription or redemption of Shares cannot be carried out without undue delay and at normal rates of exchange. Notification of any such suspension will, where possible, be published in the Gazette Officielle and in those publications where the price is normally published on a regular basis.

The issue and redemption of Shares will be suspended during any period when valuations are suspended, and in some cases payment in respect of Shares redeemed prior to such a suspension may be postponed until the suspension has been lifted. Applicants for Shares and Holders wishing to redeem Shares will be notified of the imposition and raising of any suspension and, unless withdrawn, applications for Subscription and Redemption of Shares will be considered on the first Dealing Day following the lifting of a suspension.

Joint Holders Sole Signatory Authority

Whereas Article 45 of the Memorandum and Articles of Association provides that in the case of joint holders, the redemption notice and/or the endorsement shall be signed by both or all of them so that the Manager may be authorized by such holders to accept a redemption notice and/or an endorsement signed by any one of them.

1. The account holder(s) authorises the Manager in accordance with the provisions of Article 45 to accept and act in accordance with written instructions signed by any one of the account holders for the redemption or transfer of shares.
2. The account holder(s) declare that all shares are held jointly and for the survivors of the joint holders.
3. The account holder(s) acknowledge that on the death of any holder: a) The name of such holder shall be removed from the register by and upon production to the Manager of a notarised death certificate and b) this authority will remain in force.
4. The Manager may transfer holdings of a joint account into an account of any one of the joint Account holders.
5. Should the Manager be in receipt of unexecuted conflicting instructions from two or more of the account holders, the Manager may refuse to make any payment or allow any payment from the Account until the conflict is resolved.
6. This authority may be revoked at any time by written instruction to that effect signed by any one of us being received by the Manager.
7. The account holder(s) acknowledge that this authority is only effected for the giving of instructions for the redemption and transfer of shares.
8. The account holder(s) indemnify and agree to hold harmless the Manager and the Trustee in respect of all actions, claims, costs and liabilities arising out of the Manager acting in accordance with this authority.

Variation of Class Rights

Subject to the provisions of the laws of the Island of Guernsey, all or any of the special rights for the time being attached to any class of shares for the time being issued may from time to time (whether or not the Fund is being wound-up) be altered or abrogated with the consent in writing of the Holders of not less than three-fourths of the issued shares of that Class. The rights attaching to Shares shall be deemed to be varied by the creation or issue of any shares (other than Shares) ranking pari passu with or in priority to them as respects participation in the profits or assets of the Fund. Subject thereto, the special rights attached to any class of shares having preferential rights are (unless otherwise expressly provided by the conditions of issue of such shares) deemed not to be varied by the creation or issue of further shares ranking in any respect pari passu therewith but in no respect in priority thereto.

TAXATION

Guernsey

The Fund is not resident for taxation (including withholding tax) in Guernsey under the Income Tax (Exempt Bodies) (Guernsey) Ordinance 1989. Under the provisions of the Ordinance, the Fund may apply for renewal of this exemption annually. The Directors intend to make such application annually which (if granted) will entail the payment of an annual fee, currently £600, to the Administrator of Income Tax. If exemption is granted the Fund will agree, in respect of Holders who have declared on the

Application Form that they are resident in Guernsey for tax purposes or otherwise acting as nominee for persons so resident, to advise the Administrator of Income Tax annually of their Share Transactions.

United Kingdom

The attention of individuals ordinarily resident in the United Kingdom is drawn to sections 739-745 of the Income and Corporations Taxes Act 1988 which may render them liable to United Kingdom income tax in respect of income or profits of the Fund. It is also a provision of United Kingdom tax law that a conversion between one or more Classes of Share can give rise to a disposal for tax purposes.

Investors are advised to consult their professional advisors of the potential tax consequences of subscribing for, purchasing, holding, redeeming or selling shares in the fund under the laws of their country of citizenship, domicile and/or residence.

Miscellaneous

The Fund has not established a place of business in Great Britain. However, facilities required under the Act and various other rules and regulations, including the inspection of the latest Scheme Particulars, the Principal Documents, latest Annual and Interim Reports and other material contracts, have been arranged at the RBC Wealth Management Offices of Royal Bank of Canada (Europe) Limited, 71 Queen Victoria Street, London, EC4V 4DE.

Copies of the latest Scheme Particulars, the Principal Documents, latest Annual and Interim Reports and other material contracts are available for inspection at the offices of the Administrator and Trustee, and copies may be obtained therefrom. None of the Directors of the Fund has an interest in the share capital of the Fund which would be required to be shown in the register maintained under the relevant provisions of the Companies Act 1985, as amended, of Great Britain if the Fund was subject to that Act.

Directors of the Fund may also be Directors of the Administrator. As such they all have an interest in the promotion of the Fund. Save as disclosed in this paragraph no Director of the Fund has any interest, direct or indirect, in the promotion, of, or in any assets which have been since the date of the Fund's incorporation, or are proposed to be acquired or disposed of by, or leased to, the Fund and no Director of the Fund has a material interest in any contract or arrangement entered into by the Fund which is significant in relation to the business of the Fund.

The Directors of the Fund confirm that the information contained in these Scheme Particulars is accurate in all material respects as at the date of this document. RBC and/or persons connected with it may have holdings in the Fund. Cancellation rights, as defined in the Act, do not apply to investment in the Fund.

Each currency Class's Share price is denominated in a prescribed currency and investors subscribing in some other currency are warned that changes in the rates of exchange may have an adverse effect on the value, price or income of their investment. Neither the Manager nor any of its connected persons may retain cash or other rebates from a broker or dealer in consideration of directing transactions in the Funds property to the broker or dealer.

The Manager has no arrangements for indirect payments for services or other benefits.

It is not intended that the Fund will have any interest in any immovable property or tangible immovable property.

The cancellation price last notified to the Trustee in respect of Shares of each Class is available from the Administrator or the Manager upon request.

The Articles of Association of the Fund contain provisions to the effect that any alteration to the Management and Administration Agreement shall be subject to approval by a resolution passed by the majority of the Holders for the time being of Shares present or represented by proxy at a Class meeting PROVIDED THAT no such approval shall be required, if;

- (i) the terms of any new agreement entered into for the appointment of a new Manager do not differ materially from those in force with the former Manager on termination of its appointment; or
- (ii) the Manager, the Fund and the Trustee each certify that any such variation does not materially prejudice the interests of the Holders for the time being of Shares or any of them and does not operate to release the Manager or any other person from any responsibility to the Fund; or
- (iii) the Manager and the Fund each certify that such variation is required only to ensure compliance with applicable, fiscal, statutory or official requirements.

Confidentiality and Data Protection

1. Investors agree that the Manager may keep information regarding them and their account on its centralised database. The Manager will only retain the information gathered for as long as necessary for the Manager to provide financial services and for the period required by relevant laws in the jurisdiction in which the account is maintained.
2. The Manager will provide an investor with a copy of any centrally held information, if requested to do so by the investor, in accordance with the Data Protection Law of the jurisdiction in which the account is held.
3. In the event that an investor believes that any of the centrally held information is incorrect or inaccurate, the investor must notify the Manager, so that the information can be updated or corrected.
4. Investors agree that in the event that they communicate with the Manager using e-mail or by other electronic means, then the Manager may monitor all e-mail or other electronic traffic to gather information for the purposes of security, marketing, statistical analysis and systems development.
5. The Manager may record the contents of telephone conversations, or monitor telephone calls. Any such recordings remain the property of the Manager, and may be used by the Manager in the event of a dispute.
6. The Manager shall not disclose to any person the status of an account or any transactions relating thereto or any information relating to an investor save:
 - (i) where the Manager is compelled or permitted or required to do so by law or by order of a court or governmental or administrative tribunal; or
 - (ii) where disclosure is made at the investor's request or with the investor's consent, or if otherwise permitted by the terms of these Scheme Particulars, the Application Form or the specific conditions applicable to an account.

The Manager may also disclose details and information about the investor or the investor's account and/or accounts and/or the investor's property for the following purposes:

- (i) to provide a marketing database for product and market research or to provide information for the despatch of information on other products or services to unitholders from companies within RBC.

- (ii) to service any of the investor's other relationships with RBC;
- (iii) to meet the Manager's regulatory obligations in Guernsey and Jersey or elsewhere;
- (iv) for the purpose of fraud prevention or anti money laundering.

These Terms may be varied at any time by the Directors who will ensure that investors are informed in writing of any changes.

APPENDIX 1

Eligible Markets

A. Markets in European Union Member States

Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden and United Kingdom.

B. Markets in Non-European Member States

Australia, Canada, Hong Kong, Japan, Korea, Malaysia, Mexico, New Zealand, Singapore, South Africa, Switzerland, Thailand and United States.

C. Other Markets

European Options Market and International Securities Market Association.

APPENDIX 2

Glossary

Paragraph 2(1) (a) to (e) of the Law states as follows:

"2(1) General securities and derivatives constitute controlled investments for the purposes of [the] Law; and for those purposes general securities and derivatives comprise:-

- (a) shares and stock in the share capital of a company other than an open-ended investment company;
- (b) debentures, debenture stock, loan stock, bonds, certificates of deposit, and other instruments creating or acknowledging the indebtedness of a company or public sector body; but this item does not extend:-
 - (i) to any instrument acknowledging or creating indebtedness for, or for money borrowed to defray, the consideration payable under a contract for the supply of goods or services;
 - (ii) to a cheque or other bill of exchange, a banker's draft or a letter of credit;
 - (iii) to a bank note, a bank statement, or (by reason of any financial obligation contained in it) to any lease of disposition of real property, to any bond or other security over real property, or to an insurance policy;
- (c) partnership interests of the limited partners in a closed-ended limited partnership, units in a closed-ended unit trust, and, without prejudice to the generality of item (a), shares in a closed-ended investment company;
- (d) warrants or other instruments entitling the holder to subscribe for investments falling within items (a), (b) or (c);

- (e) certificates or other instruments which confer proprietary, disposal, underwriting, conversion or acquisition rights in respect of investments falling within any of items (a) to (d);...."

"approved bank" means a person who is licensed under the Banking Supervision (Bailiwick of Guernsey) Law, 1994 or is registered under the Banking Business (Bailiwick of Jersey) Law, 1991 or is authorised to carry on banking or deposit taking business under the law of any member State or under the law of any other country or territory which may be listed in notices issued from time to time by the Commission;

"approved derivative" means a derivative which is traded or dealt in on an eligible derivatives market;

"approved security" means a transferable security which: is admitted to official listing on the Channel Islands Stock Exchange, or in a member State; or is traded on or under the rules of an eligible securities market (otherwise than by virtue of the specific permission of the market authority);

"associate" in relation to a body corporate, means: any member of the group of which that body corporate forms part; any body corporate at least one-third of the issued equity share capital of which is beneficially owned by that body corporate or an associate; or any officer of that body corporate or of any associate;

"authorised scheme" means a Class A Scheme which is declared by the Commission to be a Class A Scheme;

"Commission" means the Guernsey Financial Services Commission;

"derivative" means an option or a future or a contract for differences and an investment is not a derivative if it is a transferable security;

"eligible" in the context of a securities market, means any market which the manager of an authorised scheme (or in the case of a company scheme, the company) is, for the time being, entitled to regard as one through which more than 10% of the property of the authorised scheme may be invested for the purposes of [CIS Rule 5.06 – for which see below], and, in the context of a derivatives market, means any market or exchange which the manager of an authorised scheme (or in the case of a company scheme, the company) is, for the time being, entitled to regard as one through which transactions for the account of the authorised scheme may be effected for the purposes of that rule;

"FSMA" means the UK's Financial Services and Markets Act 2000;

"Government and other public securities" means transferable securities which are investments falling within paragraph 2(1) (b) of schedule 1 to the Law which are issued by or on behalf of: the Government of the United Kingdom, of Northern Ireland or of a member State other than the United Kingdom; a local authority in the United Kingdom or in any other member State; the Government of any of Australia, Canada, Japan, New Zealand, Switzerland and United States of America; or an international organisation of which the United Kingdom or another member State is a member, and also includes any investment which would have been such an investment had it been issued, as opposed to merely guaranteed, by a Government or local authority specified in paragraph (a), (b) or (c).

"Law" means the Protection of Investors (Bailiwick of Guernsey) Law 1987;

"Member State" means, at any time, in addition to a State which is a member of the European Community, any other State which is within the European Economic Area;

“*transferable security*” means, in the CIS Rules, any investment falling within any of paragraphs 2(1) (a) to (e) of Schedule 1 to the Law, unless:

- (a) the title to the investment cannot be transferred, or can be transferred only with the consent of a third party (and in applying this proviso to a security which is issued by a body corporate, and which is an investment falling within paragraph 2(1) (a) or (b) of Schedule 1 to the Law, the need for any consent on the part of the body or any members or debenture holders of it may be ignored); or
- (b) the liability of the holder of the security to contribute to the debts of the issuer is not limited to any amount for the time being unpaid by the holder of it in respect of it.

CIS Rule 5.06 states as follows:

5.06 Eligible securities and derivatives markets

- 1. The following securities markets are eligible for the purposes of these rules:
The Channel Islands Stock Exchange; and a market established in a member State on which transferable securities admitted to official listing in the member State are dealt in or traded.
- 2. A securities market not falling within paragraph 1 or a derivatives market is, at any time, eligible for the purposes of these rules if:
the manager, after consultation with the trustee, considers that market as one which is, in accordance with paragraphs 3 and 4, appropriate for the purpose of investment of or dealing in the scheme property beyond, where appropriate, any limit which under these rules would otherwise apply; that decision is notified in writing to the trustee and has not been revoked; and the market is included in a list in the scheme particulars.
- 3. For the purposes of paragraph 2, a market may be considered to be appropriate if it: is regulated; operates regularly; is recognised; and is open to the public.
- 4. In considering whether a market is appropriate, regard shall in particular be had: to the need for adequate liquidity in the market; to the arrangements relevant to the market for unimpeded transmission of income and capital to or to the order of investors; and to any relevant guidance note of the Commission issued on, before or after the date of the making of these rules.

Enquiries

All enquiries concerning the Company, including information concerning subscription and redemption procedures and current Net Asset Values should be directed to the Administrator at:

RBC Offshore Fund Managers Limited
PO Box 246, Canada Court
Upland Road, St Peter Port
Guernsey, GY1 3QE
Tel: 00 44 1481 744141
Fax: 00 44 1481 744524
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E-mail: ofmis@rbc.com
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