

**SUPPLEMENT TO
MASTER PROSPECTUS**

ASBC CROSS-ASSET FUND OPEN-ENDED PCC PLC

An open-ended protected cell company incorporated under the laws of the DIFC with registered number 10150 and registered as a Public Fund under the laws of the DFSA with effect from 24 March 2025

ASB State Street Global Equity Fund

June 2025

This Supplement relates to a Public Fund established and existing in accordance with the Collective Investment Law No. 2 of 2010 of the Dubai International Financial Centre (“**DIFC**”) and the Collective Investment Rules of the Dubai Financial Services Authority (“**DFSA**”).

The DFSA does not accept responsibility for the content of the information included in this Supplement, including the accuracy or completeness of such information. The liability for the content of this Supplement lies with the Fund and other persons, such as experts, whose opinions are included in this Supplement with their consent. The DFSA has also not assessed the suitability of the Participating Shares to which this Supplement relates to any particular investor or type of investor and has not determined whether they are Shari’a compliant.

If you do not understand the contents of this Supplement or are unsure whether the Participating Shares to which this Supplement relates are suitable for your individual investment objectives and circumstances, you should consult an authorised financial advisor.

The Participating Shares to which this Supplement relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of such Participating Shares should conduct their own due diligence.

IMPORTANT NOTICES

This supplement (“**Supplement**”) to the prospectus of ASBC Cross-Asset Fund Open-Ended PCC PLC (the “**Fund**”), as amended and/or supplemented from time to time (the “**Prospectus**”) is intended solely for the use on a confidential basis by those persons to whom it has been delivered by the Fund for the purpose of enabling the recipient to evaluate an investment in non-voting, redeemable, participating shares (the “**Participating Shares**”) in ASB State Street Global Equity Fund (the “**Protected Cell**”), a protected cell of the Fund. Unless the context otherwise requires, capitalized terms not defined herein shall have the meaning set out in the Prospectus.

This Supplement forms part of, and must be read together with, the Prospectus including but not limited to the general description of: (a) the Fund and its management; (b) the risk factors and conflicts of interest; and (c) the subscription and redemption policies and restrictions.

RESPONSIBILITY

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

CONFIDENTIALITY

Recipients, by their acceptance and retention of this Supplement, acknowledge and agree to preserve the confidentiality of the contents of this Supplement and all accompanying documents and to return this Supplement and all such documents to the Fund Manager or the Administrator if the recipient does not purchase any Participating Shares. Neither this Supplement nor any of the accompanying documents may be reproduced in whole or in part, nor may they be used for any purpose other than that for which they have been submitted, without the prior written consent of the Fund.

NO ADVICE

Investors are not to construe the contents of this Supplement as legal, business or tax advice. Each prospective investor should consult its own attorney, business advisor and tax advisor as to legal, business, tax and related matters concerning this offering.

OFFERING RESTRICTIONS

The distribution of this Supplement and the offer and sale of the Participating Shares in certain jurisdictions may be restricted by law. Prospective investors should inform themselves as to the legal requirements and tax consequences within the countries of their citizenship, residence, domicile and place of business with respect to the acquisition, holding or disposal of Participating Shares, and any foreign exchange restrictions that may be relevant thereto. This Supplement does not constitute an offer to sell or a solicitation of an offer to buy Participating Shares in any jurisdiction to any person to whom it is unlawful to make such an offer or sale.

None of the Fund, the Protected Cell or the Fund Manager is making any representation to any

offeree or prospective investor in the Fund or the Protected Cell regarding the legality of investment by such offeree or prospective investor under applicable investment or similar laws.

ARTICLES

The Prospectus and this Supplement are subject to and qualified in their entirety by reference to the Articles which should be reviewed for complete information concerning the rights, privileges and obligations of investors in the Fund or the Protected Cell. In the event that the description or terms in this Supplement are inconsistent with or contrary to the descriptions in or terms of the Articles, the Articles shall prevail.

SHARI'A NOTICE

The Protected Cell is classified as an Islamic Fund for the purposes of the DFSA Rulebook.

All operations of the Protected Cell will be conducted in accordance with the applicable rules and principles of Shari'a with guidance and oversight from the Shari'a Supervisory Board.

Any earnings prohibited by Shari'a will be donated to one or more charitable organisations under the supervision and with the approval of the Shari'a Supervisory Board. The payment of the Zakat relevant to the Protected Cell is the responsibility of the Shareholders.

All shareholders in the Protected Cell shall rank *pari passu* as amongst themselves and no class of shares of the Protected Cell shall grant the shareholders therein any preference over the rights of any other shareholder in the Protected Cell.

The Prospectus, this Supplement and the Articles have been reviewed and approved by the Shari'a Supervisory Board.

The Shari'a approval process which relates to the Protected Cell has been carried out in accordance with the legislation applicable in the DIFC.

INVESTOR INFORMATION REQUESTS

Copies of the Prospectus, this Supplement, the Articles and the Subscription Agreement may be obtained by emailing a request to: ASBCServices@asbc.com.

Each prospective investor will also be afforded the opportunity to ask questions of, and receive answers from, the Fund Manager concerning the terms and conditions of the offering, the Participating Shares and the information set forth herein, and to obtain any additional information or documents.

Inquiries should be directed to:

ASB Capital Limited

Unit 11-15, Level 4, Gate Village Building 05
Dubai International Financial Centre
PO Box 506944
Dubai, United Arab Emirates

Tel: +97145037777

Email: ASBCServices@asbc.com

SUMMARY OF TERMS

The following is a summary of the terms of the Protected Cell. To the extent that the information contained in this Supplement conflicts with information contained in the Prospectus, the information contained in this Supplement will prevail.

Protected Cell ASB State Street Global Equity Fund, a protected cell of the Fund.

Investment Objective The primary objective of the Protected Cell is to provide a total investment return in excess of the performance of the Dow Jones Islamic World Index (DJJMWORLD) (the “**Index**”) over the long term, by investing in a diversified portfolio of Shari’a compliant equity securities of large and mid-cap companies throughout the world, including developed and emerging markets (each, an “**Investment**”), and that meet the Shari’a investment guidelines as approved by the Shari’a Supervisory Board, as set out in Schedule 1 (the “**Shari’a Investment Guidelines**”).

Investment Strategy The Protected Cell employs a fundamental research-driven investment approach based on detailed company due-diligence including quantitative forecasts of financial metrics and a rigorous assessment of quality scored on proprietary metrics.

The Protected Cell may invest in any of the following:

- (i) equity securities that are in the Index (“**Index Securities**”);
- (ii) securities which are included on the ‘Approved List’ (as duly provided by the Fund Manager to the Investment Manager in accordance with the terms of the Investment Management Agreement) (the “**Approved List**”);
- (iii) cash, (revolving) deposit accounts and cash equivalents in a currency prevailing in the local markets in which Index Securities are ordinarily traded;
- (iv) exchange traded funds (ETFs);
- (v) spots in respect of currencies which are a component of the Index;
- (vi) warrants relating to Index Securities and approved by the Shari’a Supervisory Board;
- (vii) partly paid Index Securities; and
- (viii) any other securities submitted by the Investment Manager to, and approved by, the Shari’a Supervisory Board.

Subject to the terms and conditions of this Supplement, the Investment Manager may request approval from the Shari’a Supervisory Board by providing written notice to the Fund

Manager of any proposed investment and setting out in reasonable details, the investment to be made. The Fund Manager will liaise directly with the Shari'a Supervisory Board and provide feedback with respect to the proposed investment within five (5) Business Days of receipt from the Fund Manager.

Investment Restrictions

The Protected Cell's investment restrictions are as follows:

- (a) The Protected Cell shall hold equity securities issued by not fewer than thirty (30) and not more than forty (40) different issuers;
- (b) The Protected Cell shall not invest in one (1) single Investment the greater of: (i) 7% of its Net Asset Value; or (ii) the weighting of such Investment within the Index, plus 3%;
- (c) The Protected Cell shall not invest in any sector in an amount that deviates from the sector's weighting within the Index by 25%;
- (d) The Protected Cell shall not invest in any geographical region in an amount that deviates from the geographical region's weighting within the Index by 30%;
- (e) The Protected Cell shall not invest in derivatives (including for hedging purposes); and
- (f) Unless otherwise set out herein, the Protected Cell shall not invest in securities which are not listed in the Approved List or which do not form part of the Index. For the avoidance of doubt, the Approved List shall contain the relevant security identifiers, as well as identify which securities are permitted.

For the purposes of these restrictions, all percentage limitations shall apply only at the time of purchase, and any subsequent changes in value shall not be considered a breach of these restrictions.

Financing

The Protected Cell shall not use any forms of financing.

Fund Manager

ASB Capital Limited (the "**Fund Manager**").

Investment Manager

The Fund Manager has appointed State Street Global Advisors Limited (the "**Investment Manager**") to act as the investment manager to the Protected Cell pursuant to an investment management agreement (the "**Investment Management Agreement**").

The Investment Manager is a limited liability company incorporated under the laws of England and having its registered office at 20 Churchill Place, Canary Wharf London E14 5HJ, registered no. 2509928.

The Investment Manager is authorised and regulated by the Financial Conduct Authority in the conduct of its investment management business.

Directors of Fund

Hichem Djouhri and Ousama Nusseir.

Oversight Committee

The Fund Manager has appointed an oversight committee in respect of the Fund consisting of initially three (3) individuals who meet the independence and suitability criteria set out in the CIL and CIR. For further details on the composition of the Oversight Committee, please refer to Section 2.5 of the Prospectus.

Shari’a Supervisory Board

The Fund Manager has appointed the Shari’a Supervisory Board in respect of the Protected Cell. For further details on the composition of the Shari’a Supervisory Board, please refer to Section 2.6 of the Prospectus.

Participating Shares

This Supplement relates to an offering of Class A, Class B, Class C and Class D (each, a “**Class**”) non-voting (except in respect of any matters specifically reserved for the approval of the Shareholders under the CIL, CIR and/or the Articles), participating, redeemable shares of nominal value US\$0.01 in respect of the Protected Cell (the “**Participating Shares**”) to Eligible Investors. The Participating Shares shall be issued in Series as further described in the Prospectus.

Participating Shares of different Classes shall be subject to a different Management Fee (see Section entitled “Management Fee” below), but otherwise will have the same rights and obligations and rank *pari passu*.

Base Currency

The base currency of the Protected Cell is the US Dollar (“**US\$**”). Cash distributions to Participating Shareholders will be made in US\$. The financial statements of the Protected Cell will be prepared in US\$.

Reinvestments

In lieu of making dividends or other cash distributions, which may otherwise have been due and payable to the Participating Shareholders in accordance with the Articles, the Protected Cell shall reinvest such amounts (and such reinvested amounts will be reflected in the Net Asset Value per Participating Share).

Minimum Initial Subscription

The minimum initial subscription amount per Class of Participating Shares shall be as follows:

- (a) In respect of Class A Shares: US\$ 1,000;
- (b) In respect of Class B Shares: US\$ 1,000,000;
- (c) In respect of Class C Shares: US\$ 5,000,000; and
- (d) In respect of Class D Shares: US\$ 25,000,000,

in each case, subject to the discretion of the Fund Manager to accept a lower amount.

Minimum Subsequent Subscriptions

The minimum additional subscription amount in respect of all Classes of Participating Shares shall be US\$ 1,000, subject to the discretion of the Fund Manager to accept a lower amount.

Initial Offering Period

The period commencing on 16 June 2025 and ending on 16 July 2025, or such other dates as the Fund Manager may from time to time determine (the “**Initial Offering Period**” and the final day of the Initial Offering Period being the “**Initial Closing Date**”).

Management Fee

The Protected Cell shall pay the Fund Manager a management fee (the “**Management Fee**”), payable monthly, in an amount equal to:

- (a) In respect of Class A Shares; 1.50% per annum of the Net Asset Value per Share;
- (b) In respect of Class B Shares; 1.25% per annum of the Net Asset Value per Share;
- (c) In respect of Class C Shares; 1.00% per annum of the Net Asset Value per Share; and
- (d) In respect of Class D Shares; 0.75% per annum of the Net Asset Value per Share.

The Management Fee shall be calculated and accrued weekly (based on the Net Asset Value as at the relevant Valuation Day) and shall be payable monthly in arrears on the last Business Day of each calendar month. Any new or existing Shareholder that subscribes for Participating Shares at any time other than the first day of a calendar month will be assessed a pro-rated portion of the Management Fee with respect to such subscription.

The Management Fee is exclusive of VAT and based in part upon unrealised gains (as well as unrealised losses and such unrealised gains and/or losses may never be realised).

Performance Fee

The Protected Cell shall pay the Fund Manager a performance fee (the “**Performance Fee**”), payable annually (or upon a

redemption of Participating Shares, if applicable), in an amount equal to 10% of the increase, if any, in the Net Asset Value of each Series of the Participating Shares during each Fiscal Year (or part thereof) above an amount equal to the High Water Mark, subject to the Hurdle being achieved for the relevant Fiscal Year.

The “**High Water Mark**” of each Series of Participating Shares in respect of each Fiscal Year will be the greater of the Subscription Price at the date of issue and the highest Net Asset Value achieved at the end of any previous Fiscal Year.

The “**Hurdle**” in respect of each Fiscal Year will be an amount equal to 10% per annum of the High Water Mark.

“**Fiscal Year**” means January 1 to December 31 each year, except for the first period of the Protected Cell’s incorporation for which the Fiscal Year shall begin on the establishment date of the Protected Cell and end on 31 December 2025.

The Performance Fee is calculated as of: (a) the end of each Fiscal Year; (b) each Redemption Day with respect to Participating Shares redeemed before the end of the relevant Fiscal Year; and (c) the dates of termination and final liquidation of the assets of the Fund, in each case with respect to the period ending on such date (in each case, based on the Net Asset Value of the Participating Shares of the relevant Series prior to any accrual of the Performance Fee attributable to such Participating Shares for such Fiscal Year).

The Performance Fee is calculated exclusive of any VAT and shall be based in part upon unrealised gains (as well as unrealised losses and such unrealised gains and/or losses may never be realised).

Subscription Fee

Each Participating Shareholder shall pay the Fund Manager, at the time of subscription, a subscription fee (the “**Subscription Fee**”) in an amount up to 5.00% of the Subscription Price per Participating Share.

For the avoidance of doubt, the Subscription Fee is in addition to and not part of subscription amount payable by a Participating Shareholder for its Participating Shares. The Subscription Fee may be deducted from the subscription monies received by the Protected Cell.

Subscription Price

During the Initial Offering Period, Participating Shares will be offered at the subscription price of US\$100 per Participating Share and thereafter, will be offered on each Subscription Day at a subscription price equal to the prevailing Net Asset Value

per Participating Share of the Initial Series as at the relevant Subscription Day, or if such day is not a Valuation Day, as at the immediately preceding Valuation Day.

Subscription Day

Each Valuation Day and/or such other day or days as the Fund Manager may from time to time determine either generally or in any particular case (each, a “**Subscription Day**”).

Valuation Day

Each Thursday, or if such day is not a Business Day, the immediately following Business Day (each, a “**Valuation Day**”).

Net Asset Valuations

The Net Asset Value of the Protected Cell and the Net Asset Value per Participating Share shall be calculated, in US\$, by the Administrator (appointed by the Fund pursuant to the Administration Agreement) as at 5pm (UAE time) on the relevant Valuation Day (or at such other times as the Directors (or such other persons as aforesaid) may determine). The Subscription Price and Redemption Price (following the Initial Closing Date) will be available upon request from the Fund Manager or the Administrator.

For further details on the Net Asset Valuations in respect of the Protected Cell, please refer to the ‘Summary of Principal Terms’ section of the Prospectus.

Subscription Procedure

Prospective investors will be required to complete and return a duly completed and executed Subscription Agreement (together with any information and document requested under the Subscription Agreement) to the Administrator, with a copy to the Fund Manager, and must be received, in the case of subscriptions during the Initial Offering Period, no later than 5pm (UAE time) on the last Business Day of the Initial Offering Period or such earlier or later time as determined by the Fund Manager either generally or in any particular case, and thereafter, no later than 5pm (UAE time) one (1) Business Day prior to the relevant Subscription Day or such earlier or later time as determined by the Fund Manager either generally or in any particular case. Subscription monies and subscriptions fees (if applicable) in cleared funds must be received on or prior to 10am (UAE time) on the Subscription Settlement Day. If the Subscription Agreement or subscription monies are received after the relevant deadline, the subscription will (unless otherwise determined by the Fund Manager) be treated as a request for subscription on the next Subscription Day.

For further details on the Subscription Procedure, please refer to the ‘Summary of Principal Terms’ section of the Prospectus.

Redemptions	Subject to any restrictions set out in the Prospectus and/or the Articles, a Participating Shareholder may redeem some or all of its Participating Shares as of each Redemption Day at the Redemption Price, provided that the Redemption Notice is received by the Administrator by 5pm (UAE time) at least ten (10) Business Days prior to the proposed Redemption Day.
Redemption Day	Each Valuation Day and/or such other day or days as the Fund Manager may from time to time determine either generally or in any particular case (each, a “ Redemption Day ”).
In-Kind/Cash Redemptions	Redemption payments will be made in US\$ or, in the absolute discretion of the Fund Manager, in kind, or partly in cash and partly in kind as set out in the Prospectus.
Compulsory Redemption	The Protected Cell has the right to compulsorily redeem all or some of the Participating Shares held by a Participating Shareholder as set out in the Prospectus.
Redemption Restrictions	The redemption of Participating Shares may be restricted as set out in the Prospectus.
Suspension of Redemptions and Subscriptions	The Fund Manager may postpone or suspend (a) the determination of the Net Asset Value of the Protected Cell and/or the Participating Shares (and the applicable Valuation Day), (b) the issue of Participating Shares (and the applicable Subscription Day), and/or (c) the redemption (in whole or in part) of Participating Shares held by Participating Shareholders (and the applicable Redemption Day) as set out in the Prospectus.
Termination and Removal of the Fund Manager	The Fund Management Agreement may be terminated by the Fund and the Fund Manager may be removed and replaced in accordance with the terms and conditions provided in the Prospectus and the Fund Management Agreement.
Transfers	Participating Shares may only be transferred, assigned, pledged or disposed of with the prior written consent of the Fund Manager which shall not be withheld unreasonably as set out in the Prospectus.
Fund Expenses and Organizational Expenses	The Protected Cell shall bear all Fund Expenses and Organizational Expenses associated with, or allocated to, the Protected Cell, as set out in the Prospectus. The Fund Manager may also allocate to the Protected Cell any Fund Expenses or Organizational Expenses which are not directly attributable to any Protected Cell in its sole discretion. The Protected Cell shall reimburse the Fund Manager as soon as practicable immediately after the establishment of the

Protected Cell for any Organizational Expenses and/or Fund Expenses incurred by it on behalf of the Protected Cell.

Term

Indefinite.

**Investment
Management Agreement**

The Investment Management Agreement contains limitations of liability and indemnities operating in favour of the Investment Manager and certain of its affiliated delegates, in the absence of negligence, wilful default, breach of applicable laws, a material breach of the Investment Management Agreement or fraud.

The Investment Manager may terminate the Investment Management Agreement: (a) at any time by giving not less than three (3) months' prior notice in writing to the Fund Manager; (b) at any time by notice in writing to the Fund Manager if the Investment Manager determines that this is required by any applicable law or regulation or by any competent regulatory authority; (c) at any time by notice in writing to the Fund Manager in the event of a material breach by the Fund Manager of any of the terms of the Investment Management Agreement and such breach has not been rectified by the Fund Manager within thirty (30) days after the Investment Manager has notified the Fund Manager of such material breach; or (d) if, in relation to the Fund Manager, an order has been made or an effective resolution passed for its winding up (except in connection with its reconstruction or amalgamation upon terms previously approved in writing by the Investment Manager) or a receiver or administrator has been appointed in respect of it, or it is deemed by the Investment Manager to be unable to pay its debts.

The Fund Manager may terminate the Investment Management Agreement at any time with immediate effect by giving the Investment Manager written notice to that effect.

The Investment Management Agreement is a Delegation Agreement for the purposes of the DFSA Rulebook.

In consideration of the services provided by the Investment Manager pursuant to the Investment Management Agreement, the Fund Manager shall pay the Investment Manager, out of the Management Fee, an investment management fee (the "**Investment Management Fee**") as set out in the Investment Management Agreement.

Administrator

First Abu Dhabi Bank PJSC

Custodian

First Abu Dhabi Bank PJSC

Auditor Crowe Mak Limited

Legal Counsel White & Case LLP

Certain Risk Factors and Potential Conflicts of Interest Potential investors should be aware that an investment in the Protected Cell involves a high degree of risk and is suitable only for investors who fully understand and who can bear the risks of such an investment for an indefinite period and who can afford a total loss of their investment. In addition, potential investors should be aware that there will be occasions when the Fund Manager, the Directors and/or their respective affiliates may encounter potential conflicts of interest in connection with the Protected Cell.

ALL POTENTIAL INVESTORS MUST CAREFULLY READ THE SECTION ENTITLED “CERTAIN RISK FACTORS AND CONFLICTS OF INTEREST” IN THE PROSPECTUS AND IN SCHEDULE 2 OF THIS SUPPLEMENT BEFORE MAKING AN INVESTMENT IN THE PROTECTED CELL.

SCHEDULE 1

SHARI'A INVESTMENT GUIDELINES

All operations of the Protected Cell shall be conducted in compliance with the applicable rules and principles of Shari'a and the IFR, the rules and principles of Shari'a as set out in the AAOIFI Shari'a Standards, as may be amended from time to time and as interpreted by the Shari'a Supervisory Board, and in accordance with the permitted investments list set out below:

Permitted Investments

Eligible investments of the Protected Cell shall include:

- (i) equity securities that are in the Index ("**Index Securities**");
- (ii) securities which are included on the Approved List (as duly provided to the Investment Manager by the Fund) (the "**Approved List**");
- (iii) cash, (revolving) deposit accounts and cash equivalents in a currency prevailing in the local markets in which Index Securities are ordinarily traded;
- (iv) exchange traded funds (ETFs);
- (v) spots in respect of currencies which are a component of the Index;
- (vi) warrants relating to Index Securities and approved by the Shari'a Supervisory Board;
- (vii) partly paid Index Securities; and
- (viii) any other securities submitted by the Investment Manager to, and approved by, the Shari'a Supervisory Board.

Subject to the terms and conditions of this Supplement, the Investment Manager may request approval from the Shari'a Supervisory Board by providing written notice to the Fund Manager of any proposed investment and setting out in reasonable details, the investment to be made. The Fund Manager will liaise directly with the Shari'a Supervisory Board and provide feedback with respect to the proposed investment within five (5) Business Days of receipt from the Fund Manager.

Ongoing Monitoring

The Shari'a Supervisory Board will conduct quarterly reviews of all Investments to ensure continued compliance with these guidelines. Where any Investments are found to be non-compliant, the Fund Manager will direct the Investment Manager to sell such Investments, and the related income will be purified through appropriate Shari'a-compliant methods as determined by the Shari'a Supervisory Board.

SCHEDULE 2

CERTAIN RISK FACTORS ASSOCIATED WITH THE PROTECTED CELL

Investment Restrictions

Although the investment restrictions set out in this Supplement provide certain restrictions in terms of the Protected Cell's investments, there may be situations where the relevant restrictions are not complied with. This will not be considered as a breach; however, the Fund Manager and the Investment Manager will use their best endeavours to reduce the exposure to the limits stated in the investment restrictions set out in this Supplement.

Depository Receipts Risk

ADRs are typically trust receipts issued by a U.S. bank or trust company that evidence ownership of underlying securities issued by a foreign entity. GDRs and other types of depository receipts are typically issued by non-U.S. banks or financial institutions and evidence ownership of underlying securities issued by either a U.S. or a non-U.S. entity. See 'Overseas Securities Risk.' Depository receipts may not necessarily be denominated in the same currency as their underlying securities and, if the Protected Cell's portfolio holds such depository receipts, the Protected Cell's portfolio may be subject to the currency risk of an investment in both a depository receipt itself and the underlying security. There may not be as much publicly available information regarding the issuer of the securities underlying a depository receipt as if the underlying securities were traded directly certain other securities markets. Some depository receipts are sponsored by the issuers of the underlying securities, while others are not. Information regarding issuers of securities underlying unsponsored depository receipts may be even more limited than for sponsored depository receipts.

Equity Risk

If the Protected Cell's portfolio holds equity securities then the market prices of such equity securities may go up or down, sometimes rapidly or unpredictably. The value of an equity security may decline for a number of reasons that may directly relate to the issuer, such as management performance, financial leverage, non-compliance with regulatory requirements, and reduced demand for the issuer's goods or services. The values of equity securities also may decline due to general market conditions that are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates, or adverse investor sentiment generally. The Protected Cell's portfolio may invest in equity warrants, and the holding of warrants may result in increased volatility of the Protected Cell's Net Asset Value per share. The Protected Cell may continue to accept new subscriptions and to make additional investments in equity securities even under general market conditions that the Investment Manager views as unfavourable for equity securities.

IPO Risk

If the Protected Cell invests in securities offered in initial public offerings (“**IPOs**”) then such investments may have a substantial beneficial effect on the Protected Cell’s investment performance. The Protected Cell’s investment return earned during a period of substantial investment in IPOs may not be sustained during other periods when the Protected Cell makes more limited, or no, investments in IPOs. The Protected Cell may lose money on an investment in securities offered in an IPO. There can be no assurance that the Protected Cell will have the opportunity to invest in IPOs that are made available to other clients of the Investment Manager.

Market Capitalisation Risk

Stocks fall into three broad market capitalisation categories — large, medium, and small. If the Protected Cell’s portfolio invests primarily in one category this will carry the risk that due to current market conditions that category may be out of favour with investors. If the Protected Cell’s portfolio focuses its investments in companies within a particular range of market capitalisations, the Protected Cell may perform less well than many other investment vehicles during times when companies with those market capitalisations are out of favour with investors or generally underperform other types of investments.

Property Securities Risk

If the Protected Cell’s portfolio invests in securities of companies engaged in property markets then it should be noted that there are special risks associated with such investments. An investment in a property company may be subject to risks similar to those associated with direct ownership of real estate, including changes in local and general economic conditions, supply and demand, interest rates, zoning laws, regulatory limitations on rents, property taxes, and operating expenses. In addition, an investment in a property company is subject to additional risks, such as poor performance by the manager of the property company, adverse changes in tax laws, and the effect of general declines in stock prices. In addition, some property companies have limited diversification because they invest in a limited number of properties, a narrow geographic area, or a single type of property. Also, the organisational documents of a property company may contain provisions that make changes in control of the property investment difficult and time-consuming. If the Protected Cell’s portfolio invests in a property company the portfolio would bear their ratable share of the property company’s expenses and would at the same time continue to pay its own fees and expenses.

Small Companies Risk

Small companies may offer greater opportunities for capital appreciation than larger companies, but they tend to be more vulnerable to adverse developments than larger companies, and investments in such companies may involve certain special risks. Such companies may have limited product lines, markets, or financial resources and may be dependent on a limited management group. In addition, such companies may have been recently organised and have little or no track record of success. Also, the Investment Manager may not have had an opportunity to evaluate such newer companies' performance in adverse or fluctuating market conditions. The securities of small companies may trade less frequently and in smaller volumes than more widely held securities. The prices of these securities may fluctuate more sharply than those of other securities and, if the Protected Cell invests in such securities of small companies, the Protected Cell may experience some difficulty in establishing or closing out positions in these securities at prevailing market prices. There may be less publicly available information about the issuers of these securities or less market interest in such securities than in the case of larger companies, both of which can cause significant price volatility. Some securities of smaller issuers may be illiquid or may be restricted as to resale.

Sub-Underwriting Risk

If the Protected Cell engages in sub-underwriting there is a risk that the Protected Cell could be required to take up shares pursuant to that sub-underwriting because the underwriters cannot place all the rights issue shares. If the Protected Cell has also taken up new shares at the time of the rights issue then this could result in the Protected Cell's portfolio being overweight in the share. If the Protected Cell then sells off the overweight share and the value is then less than the rights issue price the Protected Cell would crystallise a loss.

Emerging Markets Risk

If the Protected Cell holds Investments in emerging markets then such investments may be more volatile than investments in more developed markets. Some of these markets may have relatively unstable governments, economies based on only a few industries and securities markets that trade only a limited number of securities. Many emerging markets do not have well-developed regulatory systems and disclosure standards may be less stringent than those of developed markets. The risks of expropriation, nationalisation, and social, political, and economic instability may be greater in emerging markets than in more developed markets. The following is a brief summary of some of the more common risks associated with emerging markets investment:

Fraudulent securities – Given the lack of an adequate regulatory structure it is possible that securities in which the Protected Cell invests may be found to be fraudulent.

Lack of liquidity – The accumulation and disposal of holdings may be more expensive, time-consuming, and generally more difficult than in more developed markets. Also, due to the lack of liquidity, volatility may be higher. Many emerging markets are small, have low trading volumes, low liquidity, and significant price volatility.

Currency fluctuations – Significant changes may occur in the relative values of the currencies in which investments are denominated versus the base currency of the Protected Cell. These changes may impact the total return of the Protected Cell to a significant degree. It may not be possible to undertake currency hedging techniques in respect of certain emerging market currencies. Some emerging market countries have a higher risk of currency devaluations, and some of these countries may experience periods of high inflation or rapid changes in inflation rates.

Settlement and custody – Settlement and custody systems in emerging markets are not as well-developed as those in developed markets. Standards may not be as high and supervisory and regulatory authorities not as sophisticated. As a result there may be risks that settlement will be delayed and that cash or securities will be disadvantaged.

Investment and remittance restrictions – In some cases, emerging markets may restrict the access of foreign investors to securities. As a result, certain equity securities may not always be available to the Protected Cell because, for example, the maximum permitted number of or aggregate investment by foreign shareholders has been reached. In addition, the outward remittance to foreign investors of their share of net profits, capital, and dividends may be restricted or require governmental approval.

Accounting – Accounting, auditing, and financial reporting standards, practices, and disclosure requirements applicable to companies in emerging countries differ from those applicable in more developed countries in respect of the nature, quality, and timeliness of the information disclosed to investors and, accordingly, investment possibilities may be difficult to assess properly.