

MERRION
CAPITAL INVESTMENT MANAGERS

EXEMPT TRUST

Prospectus

dated 17 August 2010

to be read with the explanatory leaflet and
application form in respect of each Fund

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Definitions

In this Prospectus the following terms have the following meanings:

“Administrator” means Northern Trust Investor Services (Ireland) Limited or such other person or persons from time to time appointed by the Manager as the administrator of the Trust;

“Business Day” means any day normally treated as a business day in the Republic of Ireland.

“Extraordinary Resolution” means a resolution proposed and passed as such at a meeting of unit holders in the Trust or, where relevant, a Fund, by a majority consisting of 75% or more of the total number of votes cast in respect of such resolution.

“Fund” means any sub-fund of the Trust named in or constituted in accordance with the provisions of the Trust Deeds and the part of the assets of the Trust represented by such Fund.

“Leaflet(s)” means the explanatory leaflet(s) issued by the Manager in connection with each respective Fund.

“Net Asset Value” shall be interpreted in accordance with section 11.

“Manager” means Merrion Capital Investment Managers Limited.

“Preliminary charge” means an amount as may be fixed by the Manager and specified in the Leaflet(s) not in excess of 3% of the underlying price derived from the net asset value plus relevant duties and charges.

“Qualified Investor” means the trustees of a pension scheme which enjoys exempt approval under the Chapter II of Part I of the Finance Act 1972 as amended by regulation, or an entity which is a charity approved by the Revenue Commissioners.

“Relevant Subscription Day” means the Subscription Day next following the receipt of a request for subscription, redemption or redesignation of units.

“Subscription Day” means in the case of each Fund, every Business Day, unless otherwise specified in the Leaflet applicable to a Fund, provided that the Manager may with the consent of the Trustee alter the dates and frequency of the Subscription Day either generally or in any particular case.

“Subscription Price” means the price per unit set on each Subscription Day and based on the net asset value of the assets of the relevant Fund calculated in accordance with the provisions in Appendix 2 and with the addition of the preliminary charge/adjustment (if any) set out in section 5(a).

“The Trust Deeds” means the trust deed dated 27 September 1993 which constitutes the Merrion Exempt Trust and the supplemental Deeds dated 7 February 1994 and 4 November 1997 and 8 December 1999 and 14 August 2002 and 21 December 2005. Any reference in this Prospectus to the registered address of a unitholder shall be to his address as shown in the register of unitholders, or in the case of joint unitholders, the address shown therein for the first named of such unitholders.

“Valuation Point” means, in respect of each Subscription Day, the close of business in the relevant market on the Business Day immediately preceding such Subscription Day.

This Prospectus was originally issued on 27 September 1993 and has been updated to reflect changes arising since then.

Revised: 17 August 2010

Merrion Exempt Trust

Preliminary Statement

This Prospectus is issued as an invitation to Qualified Investors to subscribe for units in Funds of the Merrion Exempt Trust ("the Trust") at the prevailing subscription price for the units of the relevant Fund(s) (including any applicable preliminary charge) on the applicable Subscription Day.

Units are offered solely on the basis of the information and representations contained in this Prospectus and in the Leaflet issued in connection with each Fund (which Leaflet will be deemed for all purposes to be a part of this Prospectus). No person is authorised to give any information or make any representation other than those contained in the Prospectus and if given or made such information or representation may not be relied upon as having been authorised by the Manager or the Trustee.

Potential Investors should note that the holding of units in the Trust is only open to persons who are Qualified Investors. Unitholders will be required to indemnify the Manager, the Trustee and the Trust in respect of any liability to taxation which the Fund may incur by reason of any holder ceasing to be, or never having been exempt from tax.

Investors in doubt about their tax position are advised to take their own professional advice from their lawyers, accountants or other tax advisers.

This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such an offer or solicitation is not authorised or to any person who is not a Qualified Investor or to whom it is unlawful to make such an offer or solicitation. No person may treat this Prospectus as constituting an invitation to him unless such an invitation is made to him in compliance with all local legal and regulatory requirements. It is the responsibility of any person outside Ireland wishing to make an application hereunder to satisfy himself as to full observance of the laws of the relevant territory of the connection therewith, including the obtaining of any governmental or other consents which may be required or other formalities needing to be observed or transfer or other taxes requiring to be paid in such territory.

The Directors of the Manager have taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects and that there are no other material facts the omission of which would make misleading any statement herein, whether if fact or of opinion.

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

Investors should note that the price of units (except during any period for which a fixed price applies to the units of any or all of the Funds) may go down as well as up to reflect changes in the value of the assets represented by the particular Fund(s) to which the units belong as well as the income from such assets.

After publication of an annual report of the Trust this Prospectus should be accompanied by, and read in conjunction with, the latest annual report and accounts and any subsequent report which will form an integral part of the Prospectus.

Copies of the Trust Deeds and each published annual report and accounts of the Trust will be available for inspection at the registered office of the Manager.

List of Parties and Addresses

The Trust	Merrion Exempt Trust
Manager of The Trust	Merrion Capital Investment Managers Limited Block C The Sweepstakes Centre Ballsbridge Dublin 4
Board of Directors of the Manager	Mr Kevin Gallacher Mr Brian Hall (Company Secretary) Mr Joseph O'Dwyer Mr. Michael Hodson Mr. John Conroy
Administrator	Northern Trust Investor Services (Ireland) Limited George's Court 54 - 62 Townsend Street Dublin 2 Ireland
Trustee And Custodian	Northern Trust Custodial Services (Ireland) Limited George's Court 54-62 Townsend Street Dublin 2 Ireland
Auditors	KPMG Chartered Accountants 1 Harbourmaster Place IFSC Dublin 1
Legal Advisors	McCann FitzGerald Riverside One Sir John Rogerson's Quay Dublin 2

1. Summary of Principal Features

The information set out in this summary should be read in conjunction with the full text of this Prospectus.

Structure: The Trust is a unit trust constituted by the Trust Deeds. The Trust Deed makes provision for the establishment of Funds, and each separate Fund referred to in this Prospectus is thus constituted. Participation in the Trust is confined to Qualified Investors so that the Trust will enjoy the favourable tax treatment outlined below. It should be noted that applications from prospective investors may if necessary be referred to the Revenue Commissioners in order to establish whether the applicant is a Qualified Investor, and no investment will be permitted without the prior approval of the Revenue Commissioners.

The duration of the Trust is not limited but it should be noted that the Trust Deeds provide that unitholders may at any time after 20 years from 27 September 1993 terminate the Trust by Extraordinary Resolution passed at a general meeting of the unitholders, and also contain other provisions entitling the Trustee and the Manager to terminate the Trust in certain circumstances.

Objectives: The object for which the Trust is established is the collective investment of capital, operating on the principle of risk-spreading. The Trust aims to provide Qualified Investors with the opportunity to invest in a number of Funds, details of which are given in the Leaflet issued in connection with each Fund. While the Manager has a power under the Trust Deeds to distribute income and profits of the Funds, the policy will generally be to accumulate such income and profits within each Fund unless special circumstances suggest that the interests of unitholders would be better served by adopting a policy of making distributions. Unitholders may switch between Funds by having their units redesignated as units of any other Fund. Investments and units may be denominated in Euro or other currencies.

The Funds: There are currently nine Funds; a Managed Fund, a Global Equity Fund, a Technology Fund, a Fixed Interest Fund, an Irish Equity Fund, a European Equity Fund, a Cash Fund, an Ethical Fund and a Long-Dated Bond Fund. The Manager will manage each Fund in a way which prudently reflects the risk implicit in a direct investment of a similar nature. The assets, liabilities, income and expenditure allocated to each Fund will be separate from those of the other Funds. However, the Trust as a whole will remain liable to third parties for all of the liabilities of the Trust.

Additional Funds may be designated by the Manager from time to time with the consent of the Trustee.

Subscriptions, Redemptions and Conversions: The units may generally be subscribed for, repurchased or redesignated on any Subscription Day subject to the provisions of section 10 below.

Prices of Units and Valuation: The subscription and repurchase prices for units of each Fund will be based on the Net Asset Value of the relevant Fund determined as at the Valuation Point in respect of such Subscription Day.

Distributions: The distribution policy of the Trust will be determined separately by the Manager with reference to each individual Fund, having regard to the amount of available income and the investment objectives of that Fund. The current policy of the Manager is not to make distributions from the Funds, and at present it is anticipated that this policy will be generally observed in the future.

Charges: A preliminary charge of a percentage which shall be specified in the Leaflet(s) (not in excess of 3%) of the underlying price derived from net asset value plus relevant duties and charges, may be charged on subscription. A redesignation fee of up to €32 may be charged on any redesignation of units. A service charge will be payable to the Manager at the rate set out in the relevant Leaflet for each Fund, but the annual service charge shall not exceed 2% of the amount described in section 5(D). Where units of different classes have been designated and issued by the Trust, the Manager shall be entitled to charge a different service charge in respect of each class of units at the rate set out in the relevant leaflet for the applicable Fund(s). In addition, other fees and expenses are payable out of the Trust including the remuneration of the Trustee and the establishment expenses of the Trust.

Taxation: Under current law and practice and the concessionary treatment which the Trust enjoys so long as participation is confined to Qualified Investors

- there will be no capital gains tax paid within the Fund,
- on repurchase of units all returns will be paid gross to unitholders,
- if any income is received by the Fund subject to Irish withholding tax, the Manager will seek a refund of the withholding tax as agent of the investors,
- any income distributed will be paid gross, and
- any distributable income which is not distributed will be rolled up gross.

2. Investment Objectives

The Manager's objective will be to maximise the rate of return within each Fund, subject to relevant prudential considerations with regard to the spread of risk and the credit quality of individual investments.

In addition to the specific investments set out herein, the Funds may have a long/short exposure, via derivatives (or otherwise) to the indices of any of the asset classes.

The Manager intends that the investments of each Fund will be marketable and of a high quality so that the redesignation and repurchase of the units of any particular Fund can normally be achieved without any adverse effect upon the Fund. The investment objectives of each Fund will generally be indicated by the name or designation of the Fund, and will be set out in more detail in the Leaflet.

Transactions and dealings in the assets of a Fund may take place with entities related to the Trustee or Manager provided that such transactions are carried out as if effected on normal commercial terms negotiated at arm's length.

The Trustee may borrow on behalf of any Funds for the purposes of efficient portfolio management.

3. The Funds

(a) Investment Policy:

The Trust is composed of a number of separately designated Funds.

The Funds are:

The Managed Fund, investing in a mixture of cash, fixed interest securities, equities, currency exposures, commodities (through the use of derivatives and exchange traded funds (ETFs)), collective investment schemes (including ETFs) and ETFs with investment policies consistent with the overall investment strategy of the Managed Fund, derivatives and their equivalent where this would be consistent with the Managed Fund's overall investment strategy. The Managed Fund shall at no stage have less than 20% of its assets invested in cash or government securities.

The Global Equity Fund, investing in a range of equity markets. The Manager will adjust the overall level of liquidity of the Global Equity Fund as economic circumstances dictate.

The Technology Fund investing in a spread of technology companies including electronics, computers, communications and the science-based industries such as pharmaceuticals and biotechnology as well as suppliers of support services to any of these.

The European Equity Fund investing in a portfolio of diversified equity investments in the countries forming the European economic region.

The Fixed Interest Fund investing in government securities, money market instruments including commercial paper, repurchase agreements and reverse purchase agreements, and bonds issued by domestic and international companies.

The Irish Equity Fund investing in a portfolio of diversified equity investments in Ireland.

The Cash Fund investing in a mixture of government securities, short-term investments including commercial paper, repurchase agreements and reverse repurchase agreements and cash deposits.

The Ethical Fund investing in a portfolio of equities, bonds, currency exposures, commodities (through the use of derivatives and exchange traded funds (ETFs)), collective investment schemes (including ETFs) and ETFs with investment policies consistent with the overall investment strategy of the Ethical Fund, derivatives and their equivalent where this would be consistent with the overall investment strategy of the Ethical Fund and cash chosen with reference to certain Socially Responsible, Ethical and Environmental criteria as determined by the Manager.

The Long-Dated Bond Fund investing in Government Securities and Bonds issued by domestic and international companies.

The High Alpha Exempt Fund investing in equities, equity related securities, currency exposures, commodities (through the use of derivatives and Exchange Traded Funds(ETFs)), collective investment schemes (including ETFs) where this would be consistent with its overall investment strategy, exchange traded funds and derivatives.

Each Fund may gain exposure to any of the foregoing asset classes via derivatives (including swaps, contracts for difference, futures, options and forwards) where this would be consistent with its overall investment strategy.

The Manager may use financial futures and forward foreign exchange instruments for efficient portfolio management of any Fund.

Each Fund may also invest in other collective investment undertakings where this would be consistent with its overall investment strategy.

Each Fund may also invest in investments that are not on an exchange or not readily realisable investments where this would be consistent with its overall investment strategy.

Additional Funds may be designated by the Manager from time to time with the consent of the Trustee.

(b) Administration of Each Fund

The currency of designation of each Fund will be the currency in which the investment performance of that Fund is measured. Since 1/1/1999 the currency of designation of each Fund has been EUR. The Manager shall have the power to re-designate any Fund at any time and may choose to re-designate one or any number of the Funds into another currency at any time.

Units may, at the discretion of the Manager, be designated as different classes of units, each class having the rights as set out in the Trust Deed and reflected in the relevant leaflet.

The subscription monies in respect of the issue of units (or, where relevant, each class thereof) will be allocated, together with the relevant assets, liabilities, income and expenditure, to the Fund to which each unit (or, where relevant, each class thereof) is attributable. If assets or liabilities do not relate to any particular Fund they will generally be allocated to all Funds pro rata according to the net asset value of each of them.

The subscription monies and repurchase proceeds in respect of units are payable in the currency in which each Fund is designated. The Directors of the Manager may, at their discretion, issue units (or, as applicable, classes of units) on terms providing for settlement of the subscription price to be made by the

vesting in the Trustee (to the Trustee's satisfaction) of any securities, bonds or other assets, provided that they are satisfied that the terms of any such exchange are not likely to prejudice existing unitholders and are in compliance with any investment restrictions set out in section 18 or in the relevant Leaflet. The value of the securities, bonds or other similar assets to be vested in the Trustee will be determined by the Administrator on the same basis as is applied in the calculation of the net asset value of the Fund having made such provision for charges involved in vesting the assets as the Administrator may deem appropriate.

4. Administration

A. Manager

The Manager is Merrion Capital Investment Managers Limited. The Manager was incorporated as a limited liability company on 11 July 1985 and is authorised as an investment firm and regulated by the Financial Regulator. The Manager is a wholly-owned subsidiary of Merrion Capital Group Limited. As of 31 December 2007, the Manager had approximately €1 billion of funds under management.

The directors of the Manager are:

Mr Kevin Gallacher
Mr Brian Hall
Mr Joseph O'Dwyer
Mr. Michael Hodson
Mr. John Conroy

B. Trustee

The Trustee carries on the business of a custodial company and will be responsible for the safe keeping of the assets of the Trust and will carry out the other functions and obligations required to be performed by it as Trustee under the Trust Deeds. Its remuneration is paid out of the Trust in accordance with section 5(E).

In dealing with the assets of the Trust the Trustee will rely on the instructions of the Manager.

C. Administrator

The Manager has appointed Northern Trust Investor Services (Ireland) Limited as administrator. The Administrator was incorporated as a limited liability company on 10 January 1990. The Administrator is engaged in the business of providing administration and transfer agency services to collective investment schemes, life insurance funds and other financial services companies. The Administrator, on 15 May 2000, became a wholly owned subsidiary of Northern Trust Corporation. Northern Trust Corporation and its subsidiaries comprise the Northern Trust Group, one of the world's leading providers of global custody and asset administration services to institutional and personal clients. At 31 December 2006, the Northern Trust Group had assets under custody and administration in excess of US\$3.5 trillion.

The administration duties and functions of the Administrator will include, inter alia, the calculation and publication of the Net Asset Value, the provision of facilities for the confirmation and registration of units, the keeping of all relevant records and accounts of the Trust.

5. Charges and Expenses

A. Preliminary Charge/Adjustment

The subscription price for units (a) may include a preliminary charge of such amount as may be fixed by the Manager (and specified in the Leaflet(s)), but not exceeding 3% of that price (without taking into account that charge) and (b) may include an upward adjustment of not more than 1% of the aggregate amount of all other elements in the price, such charge and adjustment being payable to the Manager.

B. Application Fee

On application for units, an application fee may be payable to the Manager equal to 2.5% of the aggregate subscription price. The application fee is returnable in full if for any reason the application is rejected.

C. Redesignation Charge

On redesignation of units of one Fund as units of another Fund a fee may be charged and be payable to the Manager which shall not exceed €32.

D. Annual Charges

A service charge shall be payable to the Manager in respect of units of each Fund (which may differ depending, where appropriate, on which class of unit has been acquired) of an amount set out in the relevant Leaflet but which shall not exceed 2% per annum of the net asset value of each Fund on the last business day preceding the Subscription Day on which the service charge is being calculated. The service charge is payable monthly in arrears. The Manager is also entitled to be reimbursed the expenses incurred in management of the Trust.

E. Trustee and Administration Charges

The Trust will pay the Trustee and the Administrator (in respect of each Fund) an aggregate fee not exceeding the higher of 0.5% per annum or the net asset value of each Fund on the last business day preceding the Subscription Day on which the fee is calculated or such minimum fee in the case of any Fund as may be specified in the Leaflet applicable to that Fund. This fee is payable monthly in arrears. The Trustee and the Administrator are also entitled to be reimbursed the expenses incurred in management of the Trust.

F. Miscellaneous

The expenses incurred in the formation and initial promotion of the Trust will be borne by the Trust.

All normal operating expenses including (but not limited to) audit fees, legal fees, registration fees, charges incurred on the acquisition and realisation of investments and the costs of publication and distribution of Prospectuses, interim and annual reports and of the calculation and publication of unit prices will also be payable out of the Trust.

The Funds may invest in alternative investment funds run by Merrion Capital Investment Managers or external fund managers where a performance related fee may be paid. Where the Funds invest in other funds managed by Merrion Capital Investment Managers, the management charge will be rebated to the relevant Fund. However performance related fees may not be rebated. Further details are available on request from Merrion Capital Investment Managers

6. Issue of Units

Each unit represents one individual share in the relevant Fund and is an interest under a trust.

The subscription price per unit will be set on each Subscription Day and will be based on the Net Asset Value on that day of the assets of the relevant Fund, calculated in accordance with the provisions in Appendix 2, with the addition of the preliminary charge referred to in section 5(A) and such sum as the Manager may consider represents the appropriate provision for duties and charges including an adjustment of the resulting total upwards by not more than 1%.

Some part of the subscription price will reflect accrued but undistributed income in the Fund, which part, in the case of a Fund with a distribution policy, will be known as an equalisation amount and (subject to a potential averaging of all equalisation amounts payable in a specific period) will be returned with the first "distribution", as explained in section 12.

The Manager may from time to time make arrangements for the issue of each class of unit to any person in exchange for any securities or other property held by such person, including provision for the paying out of the assets of the relevant Fund of the expenses of the exchange.

The unit of each Fund will normally be available for subscription by Qualified Investors, subject in every case to the approval of the Revenue Commissioners, on each Subscription Day at the Subscription price, except where there is a suspension of issue.

The Manager may from time to time offer to issue each class of unit of any Fund(s) at a fixed price for a period not exceeding one calendar month from the publication of such offer, although the Manager may close such offer in the event of certain fluctuations in the value of the assets of such Fund(s) as set out in the Trust Deeds.

Applications for each class of unit will be considered only if made on the application form published by the Manager or the Administrator and accompanied by payment (made by bank transfer), and by evidence which will satisfy the Manager or the Administrator that the applicant is a Qualified Investor. Applications will be executed on the next Subscription Day after the day upon which they are received at the Subscription Price prevailing on that Subscription Day. Any applicable charges will be deducted from the payment and the balance will be invested in units. Units will only be issued when the consideration monies or other property paid are vested in the Trustee to its satisfaction, and when the approval of the Revenue Commissioners has been granted.

Where any subscription monies are not an exact multiple of the subscription price per class of unit of the Fund relating to the class of units applied for, a fraction of a unit (not calculated to more than four decimal places) may be issued at the discretion of the Manager or any excess subscription monies may be returned to the applicant or may be retained in the Fund relating to units applied for as the Manager may in its absolute discretion think fit.

The right is reserved by the Manager to reject any application in whole or in part. The issue of each class of unit may be suspended in the circumstances mentioned in section 10 of this Prospectus.

Subscription and repurchase prices will be available on request from the Manager, whose determination of the subscription and repurchase prices shall be conclusive.

7. Form of Units

Units (of any class) of each Fund will be issued in registered form. Applicants will have units registered in their name(s) in the register of unitholders, which will be conclusive as to ownership of the unit.

Any reference in this Prospectus to the registered address of a unitholder shall be to his address as shown in the register of unitholders, or in the case of joint unitholders, the address shown therein for the first named of such unitholders.

Unitholders will not require certificates and, accordingly, certificates will not be issued.

8. Realisation of Units

A. Repurchase

Units may be repurchased on a Subscription Day at the current repurchase price applicable on that day calculated in accordance with the Trust Deed by dividing the value of the assets of the relevant Fund at the Valuation Point in respect of such Subscription Day by the number of units of that Fund then in issue or deemed to be in issue. There will be deducted from the resulting amount the anticipated costs of realisation of the relevant proportion of the assets and the amount may be rounded downwards by up to 1%.

Unless otherwise directed by the Manager, a request for repurchase must be made by delivery to the Administrator of a request in writing (a "repurchase request") specifying the number of units of each Fund to be repurchased. Unless a lower number of units is specified, a repurchase request will be taken to apply to all of the particular class of unit held by the applicant.

A holder who ceases to be a Qualified Investor will be deemed to have requested the immediate repurchase of all of his units.

Repurchase proceeds will be payable in the currency in which units are designated.

Repurchase prices will be available in the manner described in section 6.

B. Cancellation

The Manager shall have the exclusive right on any Subscription Day (or on any other day to which the Trustee may agree with the Manager) by notice in writing in such form as the Trustee may require delivered to the Trustee to effect reductions of the Trust by requiring the Trustee to cancel units in respect of which the Manager is entered on the register as the holder. Such notice shall state the number of units to be cancelled and the amount payable to the Manager in respect of such cancellation.

In respect of any such cancellation of units the Manager shall be entitled to receive out of the assets of the relevant Fund(s) an amount per unit ascertained by dividing the net asset value of the Fund(s) at the time of such notice by the number of units then in issue or deemed to be in issue, and by deducting therefrom such a sum as the Manager may consider represents the appropriate allowance for duties and charges in relation to the realisation of the relevant proportion of the assets.

Upon such payment and surrender the units in question shall ipso facto be cancelled and withdrawn from issue. Any moratorium which may at any time be applied to payments in respect of Stock Exchange transactions shall apply equally to the payment to the Manager of any amount due hereunder.

9. Redesignation of Units

Unitholders may request that on each Subscription Day all or part of their holding of units of any Fund(s) (“the original units”) be redesignated as units of another Fund(s) (“the redesignated units”) by giving notice to the Administrator in writing in such form as the Manager or the Administrator may from time to time require duly signed by the unitholder (“the redesignation notice”) provided that no redesignation shall be effected unless redesignated units are at the date of such notice in issue and offered for sale.

Where a unitholder converts original units to redesignated units which have different classes of units, then units in such redesignated units will be issued as different classes of units, as applicable (whether or not the original units were designated as different classes of units). Where the original units are designated as different classes of units and the unitholder converts to redesignated units (which are not different classes of units) units will be issued in the single class of the redesignated units.

The number of redesignated units which shall be issued shall be the number calculated by the Manager by dividing the price of an original unit by the price of a redesignated unit and multiplying the result by the number of the original units to be redesignated, adjusted for any applicable redesignation fee as set out below.

The right to redesignate may be suspended in the circumstances mentioned in section 10.

On any redesignation the holder shall pay to the Manager a fee not exceeding €32, and shall reimburse the Manager for any duties and charges arising out of such redesignation (although no preliminary charge will be payable in respect thereof).

10. Suspension of Issues, Redemption and Conversion Rights

The Manager may with the prior agreement of the Trustee, or shall if the Trustee so requires, at any time declare a suspension of the issue, repurchase and redesignation of any class of unit or of any class of unit of any one or more Fund(s) in an exceptional case where circumstances so require and suspension is justified having regard to the interest of the unitholders.

Notice of any such suspension in respect of the units of any Fund(s) will be given to any unitholder applying to subscribe for units or tendering units for repurchase or redesignation, and notice will be similarly given upon the termination of such suspension.

Applications for units and unitholders wishing to repurchase or redesignate units will be notified of the declaration and termination of any suspension and may withdraw their applications and requests for issue, repurchase or redesignation so long as such suspension continues. Unless withdrawn, applications for subscription, repurchase and redesignation will be considered on the first Subscription Day following the termination of a suspension.

11. Net Asset Value

The term “Net Asset Value” is used in this Prospectus to refer to the value of the investments (subject to appropriate additions and deduction) comprised in the Fund(s) or portions of such Fund(s) which it is required to value.

The Net Asset Value of a unit of each Fund will be determined, in the currency of designation of that Fund, by the Administrator in accordance with the Trust Deed as at the Valuation Point in respect of each Subscription Day. The value (as determined in accordance with the Trust Deed and as summarised in Appendix 2) of all securities and other assets held in the relevant Fund, as adjusted to take account of accrued income, less all the liabilities and accruals attributable to that Fund, will be divided by the total number of units of that Fund in issue or deemed to be in issue at that time.

Any certificate of the Net Asset Value of a given class of units by the Administrator shall be conclusive in the absence of a manifest error.

12. Distributions

No distributions have been made in relation to any Fund since launch and the date of issue of this Prospectus.

Should the Manager adopt a policy of distribution in relation to any Fund(s), the following procedures will be observed. A distribution period of the Trust shall be (i) the period between 27 September 1993 and the first distribution date and (ii) thereafter the period between the end of the last distribution period and the next following last day of February or 31 August, whichever happens first, or such other period as the Trustee and the Manager shall agree in relation to any particular Fund(s). Any distribution payable in respect of units of any Fund by reference to the income accruing during such a period will normally be declared and paid on 15 October and 15 April. Any alteration or increase or decrease in the distribution periods or dates shall be notified to the unitholders not less than 3 months in advance.

The Manager shall determine in accordance with the investment policy for any Fund whether or not the distributable income of a Fund shall be distributed.

The income available for distribution in respect of any Fund shall be the aggregate of income received by the Trustee during a distribution period having made the requisite adjustments in respect of relevant

- i fees and charges,
- ii taxation or taxation repayments,
- iii income paid on the cancellation of units,
- iv fractional previously undistributed income,
- v sales or purchases cum or ex-dividend, and
- vi income accrued but not received for a current or previous distribution period.

Equalisation will be operated in respect of all Funds with a distribution policy, with the result that a unitholder's first "distribution" will generally be made up of income of the appropriate Fund since the date of subscription together with a part return of capital representing the amount of accumulated income of the relevant Fund before the date of subscription. These amounts will be shown separately on the distribution voucher.

13. Payments to Unitholders

Unless otherwise agreed between the Manager and any unitholder, payments to unitholders will be made by bank transfer.

14. Accounting Date

The Accounting Date of the Trust is 31 December in each year, although the Manager may from time to time agree with the Trustee to alter the Accounting Date. Before giving effect to such alteration the Manager shall not give less than 3 months' notice to the unitholder(s).

The annual report of the Trust will be available within 12 months of the Accounting Date.

15. Taxation

Under current law and practice the Trust will not be subject to capital gains tax on any increases in the value of investments held in any Fund, nor to income tax on any income arising to the Trust. As the Trust is authorised neither under the Unit Trusts Act 1990, nor under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2003 as amended, it is not liable to pay any appropriate tax under s. 18 of the Finance Act 1989 (as amended). If the Fund receives income subject to Irish withholding tax, the Manager will seek to obtain a refund of that tax as agent of the unitholders. Payments from the Trust to unitholders on repurchase of units are not subject to withholding taxes. Any income distributed will be paid gross.

Any distributable income which is not distributed will be rolled up gross.

Investors should note that the tax treatment of the Trust depends on all unitholders being Qualified Investors at all times, and unitholders will be required to indemnify the Manager, the Trustee and the Trust in respect of any liability to taxation which the Trust may incur by reason of any holder ceasing to be, or never having been, exempt from tax.

Investors should consult their own professional advisors on the potential tax and other consequences of subscribing for, holding, selling or realising units in the Trust.

16. Meeting and Reports

The Trust Deed states that meetings of the unitholders may take place for the purpose of considering and if thought fit passing an Extraordinary Resolution in appropriate terms (i) if their approval is required for certain proposed amendments of the Trust Deeds, which the Trustee considers should not take place without the consent of unit holders or (ii) to consider the winding-up of the Trust (see section 17 below). At any such meeting on a poll a unitholder would have one vote for each unit held.

The annual report of the Trust will be made available by the Manager to any unitholder on request.

17. Winding Up

The Trust may be terminated or wound up

- i by the Trustee if (a) the Manager is wound up or ceases business, (b) the Manager does not perform its duties or in the opinion of the Trustee is incapable of performing its duties or acts in a manner harmful to the interests of unitholders (c) it is illegal or in the opinion of the Trustee impractical or inadvisable to continue the Trust in consequence of a change of law or (d) no new Trustee has been appointed within 6 months of the Trustee expressing a desire to retire;
- ii by the Manager if (a) the aggregate value of units in the Trust is less than €127,000, or (b) it is illegal or in the opinion of the Manager impractical or inadvisable to continue the Trust in consequence of a change of law;
- iii by Extraordinary Resolution passed at any time after 20 years from 27 September 1993.

Not later than 2 months before the termination of the Trust Period (being a date specified by the party or in the resolution effecting the termination) the Trustee will give notice to unitholders advising them of the distribution of the property of the Trust (by reference to the rights of the holders of each class of units in each respective Fund). The realisation of trust property will be carried out by Trustee in such manner as it thinks fit.

18. Investment Restrictions

The Trust Deed provides that the Manager's investment policy in respect of the Funds is to be conducted and implemented in accordance with the investment parameters announced for each Fund.

The Managed Fund will invest in a mixture of cash, bonds commodities (through the use of derivatives), currencies and equities in both domestic and overseas markets. The Fund will at no stage hold less than 20% of its assets in cash and/or government securities. The Managers will also apply prudent diversification criteria within each asset group.

The Global Equity Fund will be invested in a range of equity markets, both domestic and overseas. The Manager will, from time to time, hold bonds and cash in response to changing economic or market circumstances.

The Technology Fund will be invested in a range of domestic and international technology companies. The Manager will apply prudent diversification criteria to the stock holdings and may hold bonds and cash as protection in uncertain markets.

The European Equity Fund will be invested in equity stocks in the countries forming the European economic region. The Manager will from time to time hold cash and bonds in response to changing economic or market circumstances.

The Fixed Interest Fund will be invested in government securities, short term instruments including commercial paper, repurchase agreements and reverse repurchase agreements, and bonds issued by supranational institutions and domestic and overseas companies.

The Irish Equity Fund will be invested in equity stocks in Ireland. The Manager will from time to time hold cash and bonds in response to changing economic or market circumstances.

The Cash Fund will be invested exclusively in government securities, short-term instruments including commercial paper, repurchase agreements and reverse repurchase agreements and cash deposits. The average maturity of the assets held by this Fund will not exceed five years.

The Ethical Fund will be invested in a portfolio of equities, bonds commodities (through the use of derivatives), currencies and cash chosen with reference to certain Socially Responsible, Ethical and Environmental criteria as determined by the Manager.

The Long-Dated Bond Fund will be invested in Government Securities and Bonds issued by domestic and international companies.

The Funds may invest in other collective investment undertakings either managed by Merrion Capital Investment Managers Limited or by other managers. In such an eventuality, there would be no service charges on the proportion of the Funds so invested.

19. Application Procedure

Applications are considered and units are issued in accordance with the terms and conditions of application set out in Appendix 1 and to the provisions of the Trust Deed.

To subscribe for units (or, where relevant, classes of units) an applicant must complete and execute an application form published by the Manager/Administrator, and must furnish evidence to satisfy the Manager/Administrator that they are a Qualified Investor.

Applications should be sent at the same time as a bank transfer of the relevant amount payable on subscription (inclusive of the application fee) to the Administrator at the address set out in the List of Parties and Addresses above.

The right is reserved to reject any application in part only. Applications will be accepted only in accordance with the requirements of the Revenue Commissioners. If any application is not accepted the amount paid on application will be returned and if any application is accepted for fewer units than the number applied for the balance of the amount paid on application will be returned. Any amount thus returned will be without interest and will be sent at the risk of the applicant.

APPENDIX 1

Terms and Conditions of Applications

By completing and delivering an Application Form the applicant(s):

- i. offers to subscribe for the number of units (or, where relevant, classes of units) in the Fund specified in the Application Form (or such smaller number for which the application is accepted) on and subject to the terms and conditions set out in the Prospectus and subject to the Trust Deed;
- ii. authorises the Manager to send a confirmation note recording the number of units (or, where relevant, classes of units) for which the application is accepted, and/or a cheque for any money returnable by post, at the risk of the person(s) entitled thereto to the address of the applicant (or as he may direct) and that the applicant's name together with the name(s) of any other joint applicant(s) is/are placed on the register of unit holders in respect of such units;
- iii. authorises the Manager/the Administrator to make any payments due at the sole risk of the persons entitled thereto by credit transfer to the bank or building society account nominated on the Application Form or subsequently notified to the Manager/Administrator;
- iv. agrees that completion and delivery of the Application Form shall constitute a warranty that his remittance will be honoured on first presentation and that any certificate and any monies returnable to him may be retained by the Manager pending clearance (where applicable) of the remittance;
- v. agrees that all applications, acceptances of applications and contracts resulting therefrom shall be governed by and construed in accordance with the laws of Ireland;
- vi. warrants and represents that he is a Qualified Investor and authorises the Manager/the Administrator to submit to the Revenue Commissioners details of his application for its approval, and to respond to any queries raised by the Revenue Commissioners either in connection with the application or subsequently;
- vii. agrees to indemnify the Trustee, the Manager and the other unit holders against any tax to which they may become liable in consequence of his not being or ceasing to be a Qualified Investor (whether during the period for which he is a Holder or subsequently).
- viii. Warrants that, if he signs the Application Form on behalf of somebody else or on behalf of a corporation, he has due authority to do so and that he and the person on whose behalf he signs are of full age and capacity under the law of Ireland;
- ix. Agrees that the Manager may reject any application in whole or in part without assigning any reason therefor;
- x. Agrees that he shall not be entitled at any time after acceptance of the application to exercise any remedy of rescission for misinterpretation;
- xi. Confirms that in making such application he is not relying on any information or representations in relation to the Trust other than those contained in the Prospectus and accordingly that no person responsible solely or jointly for the Prospectus or any part thereof shall have any liability for any such other information or representations; and
- xii. Warrants and represents that he has observed and complied with all requirements and obtained all consents required for this application to be made in respect of any jurisdiction to which he may be subject.

If the application form is signed under a Power of Attorney, the Power of Attorney or a certified copy thereof must accompany the Application Form.

APPENDIX 2

Valuation of Assets and Liabilities

In ascertaining the value of the assets of the Fund(s) the following definition of value shall be applied:

1. with reference to any interest in land or buildings situate in Ireland, the value thereof on an open market basis as advised by valuers appointed by the Manager with the approval of the Trustee,
2. with reference to any interest in land or buildings not so situate, the value thereof as advised by a competent person, firm or corporation in any part of the world for the investment in question appointed by the Manager with the approval of the Trustee,
3. with reference to any quoted Investment (except as herein otherwise specifically provided), the value thereof calculated by reference to the current Stock Exchange appropriate dealing price of such investment,
4. with reference to any currency futures contracts, interest rate futures contracts, forward currency and bond contracts and other financial futures contracts, the fair value thereof determined by reference to the current prices on the relevant markets,
5. with reference to any investment which is not so quoted or dealt in on a relevant market, the value thereof as advised by a competent person firm or corporation in any part of the world for the investment in question appointed by the Manager with the approval of the Trustee, and
6. in any case in which no such advice of the value or of the price is available, such value or price as may be certified by the Manager with the approval of the Trustee.

In making calculations based upon value for the purposes of an issue of units or a cancellation of units or purchase of units from a unitholder:

- (i) every new unit agreed to be issued on behalf of the Manager shall be deemed to be an issue and the assets of the relevant Fund shall be deemed to include the value of any cash or other property to be received in respect of each such unit and to exclude any sums payable out of such assets pursuant to the terms of such issue;
- (ii) when investments have been agreed to be purchased or sold but such purchase or sale has not been completed such investments shall be included or excluded and the net purchase or sale consideration excluded or included as the case may require as if such purchase or sale has been duly completed;
- (iii) there shall be deducted from the value of the assets of the relevant Fund calculated as aforesaid any amount of the service charge referred to in section 5(D) above estimated to be accrued but not paid.

In ascertaining any dealing price or yield the Administrator may rely upon a valuation or calculation to be obtained from any member or members of any Stock Exchange or other qualified person appointed by the Manager with the approval of the Trustee.

The liabilities of the Fund (s) shall be the amount which the Administrator determines as representing fair value and shall comprise:

- i. all bills and accounts payable;
- ii. all administration expenses and disbursements payable and/or accrued;
- iii. all contractual obligations for the payments or the acquisition of property;

- iv. each distribution to unitholders and unit repurchase proceeds which is due and payable until paid;
- v. all provisions authorised or approved by the Manager for taxes or contingencies and
- vi. all other liabilities of the Fund of whatsoever kind and nature.