

WESER CAPITAL LIMITED

(Incorporated with limited liability in Jersey)

US\$10,000,000,000

Certificate programme

*This Base Prospectus describes the US\$10,000,000,000 certificate programme (the “**Programme**”) of Weser Capital Limited (the “**Issuer**”) and is valid for one year from 29 June 2012. Any Certificate (as defined below) issued under the Programme on or after the date of this Base Prospectus is subject to the provisions described herein.*

Under the Programme, the Issuer, subject to compliance with all relevant laws, regulations and directives, may from time to time issue secured certificates (“**Secured Certificates**”) and unsecured certificates (“**Unsecured Certificates**”) and, together with the Secured Certificates, the “**Certificates**”) on the terms set out herein, as further detailed in final terms (each, “**Final Terms**”). This Base Prospectus should be read in conjunction with the applicable Final Terms prepared in connection therewith. The aggregate principal amount of Certificates outstanding will not at any time exceed US\$10,000,000,000 (or the equivalent in other currencies).

The Certificates will offer exposure on a 1:1 basis to shares or interests in certain companies (each a “**Company**”).

Each Certificate of a Series will be linked to one Share of the Company applicable to such Series.

Certificates will be issued in Series (as defined in “*Overview of the Programme*”) and each Series will either consist of Secured Certificates and Secured Series Custodian Certificates only (each, a “**Secured Series**”) or Unsecured Certificates and Unsecured Series Custodian Certificates only (each, an “**Unsecured Series**”) and, together with the Secured Series, the “**Series**”). Each Secured Series (other than the Secured Series Custodian Certificates) will be secured by a charge on and/or assignment of and/or other security over or in respect of (i) assets owned by the Issuer in respect of such Secured Series (the “**Collateral**”) and all proceeds of, income from and sums arising from such Collateral, (ii) all sums held by the Paying Agent (as defined in “*Terms and Conditions of the Certificates*”) to meet payments due under the Secured Certificates or by the Issuer in relation to the Collateral of such Secured Series; and (iii) the Issuer’s right, title and interest under any agreement by which the Issuer purchases the Collateral in respect of the relevant Secured Series and the Agency Agreement (as defined in “*Terms and Conditions of the Certificates*”), together with security over such additional property as may be described in the relevant Final Terms (together, the “**Mortgaged Property**”). The Secured Series Custodian Certificates of a Secured Series will not be secured by or have recourse to the Mortgaged Property for that Series or any other asset.

Each Unsecured Series will not be secured and the Unsecured Certificates (other than the Unsecured Series Custodian Certificates) will rely for their payment on, *inter alia*, and, in the case of (iv) below have the benefit of, the contractual rights of the Issuer in respect of (i) assets owned by the Issuer in respect of such Unsecured Series (the “**Underlying Assets**”), and all proceeds of, income from and sums arising from such Underlying Assets; (ii) all sums held by the Paying Agent to meet payments due under the Unsecured Certificates or by the Issuer in relation to the Underlying Assets of such Unsecured Series; and (iii) the Issuer’s right, title and interest under any agreement by which the Issuer purchases the Underlying Assets in respect of the relevant Unsecured Series and the Agency Agreement as may be described in the relevant Final Terms and (iv) the rights of the Issuer under other Series of Certificates which limit the recourse of holders of Certificates of such other Series (together, the “**Unsecured Series Property**”) and, together with the Mortgaged Property, the “**Series Assets**”). The Unsecured Series Custodian Certificates of an Unsecured Series will not have recourse to the Unsecured Series Property for that Series or any other asset. All present and future creditors of specific Series Assets of a Series (including service providers for such particular Series) will have their recourse limited to the Series Assets of such Series. The Unsecured Series Property of an Unsecured Series will not be ring fenced against the claims of other creditors by virtue of having the benefit of any security. There can be no guarantee that unspecified third parties will not make any claims against the Unsecured Series Property, and that any Unsecured Series Property will be available to meet the claims of the holders of Unsecured Certificates (the “**Unsecured Certificateholders**”) at any time.

Claims against the Issuer by holders of the Certificates (the “**Certificateholders**”) of a particular Series will be limited to the Series Assets applicable to that Series. If the net proceeds of the enforcement or

liquidation of the Series Assets for any Series are not sufficient for the Issuer to make all payments due in respect of the Certificates of that Series, the other assets of the Issuer will not be available for payment of any shortfall arising therefrom. Any such shortfall shall be borne by Certificateholders of each Series as specified in the relevant Final Terms. The Issuer will not be obliged to make any further payment in excess of such net proceeds and accordingly no debt shall be owed by the Issuer in respect of any such shortfall remaining after either (i) in the case of Secured Certificates realisation of the Mortgaged Property and application of the proceeds in accordance with the Trust Deed or (ii) in respect of Unsecured Certificates, liquidation of the Unsecured Series Property and application of the proceeds in accordance with the Trust Deed. None of the Note Trustee, the Security Trustee (if applicable) or any Certificateholder may take any further action to recover such shortfall.

The Base Prospectus has been approved by the Central Bank of Ireland, (the “**Central Bank**”) as competent authority under Directive 2003/71/EC, as amended (the “**Prospectus Directive**”). The Central Bank only approves this Base Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Such approval relates only to the Certificates which are to be admitted to trading on a regulated market for the purposes of Directive 2004/39/EC and/or which are to be offered to the public in any Member State of the European Economic Area. Application will be made to the Irish Stock Exchange (the “**Irish Stock Exchange**”) for Certificates issued under the Programme within 12 months of the date of this Base Prospectus to be admitted to the Official List (the “**Official List**”) and trading on its regulated market (the “**Main Securities Market**”). References in this Base Prospectus to Certificates being “listed” (and all related references) shall mean that such Certificates have been admitted to trading on the Main Securities Market and have been admitted to the Official List. The Main Securities Market is a regulated market (the “**Regulated Market**”) for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments.

However, unlisted Certificates may be issued pursuant to the Programme and the Programme provides that Certificates may be listed on such other stock exchange(s) outside the EU or markets as may be specified in the relevant Final Terms. The relevant Final Terms in respect of the issue of any Certificates, will specify whether or not application has been made for such Certificates to be listed on the Irish Stock Exchange (or any other stock exchange) and to be admitted to trading on the Market or other regulated market for the purposes of Directive 2004/39/EC.

Payments in respect of the Certificates comprising each Series will be made without withholding or deduction for or on account of any taxes unless required by law. The Issuer will not be obliged to gross up payments in respect of the Certificates and any imposition of withholding taxes on payments in respect thereof may lead to redemption of Certificates. See “*Terms and Conditions of the Certificates - Redemption*”.

The Certificates of a Series will be held through a clearing system and represented by a Global Certificate, the Global Certificate will be held by a common depositary appointed by Euroclear S.A./N.V. (“**Euroclear**”) and Clearstream, Luxembourg, *société anonyme* (“**Clearstream, Luxembourg**”).

The Certificates will be obligations solely of the Issuer and will not be guaranteed by, or be the responsibility of, any other entity.

MORGAN STANLEY & CO. INTERNATIONAL PLC

This Base Prospectus comprises a base prospectus for the purposes of Article 5.4 of the Prospectus Directive and for the purpose of giving information with regard to the Issuer and the Certificates which, according to the particular nature of the Issuer and the Certificates, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer.

The Issuer accepts responsibility for the information contained in this Base Prospectus. To the best of the knowledge and belief of the Issuer, the information contained in this Base Prospectus as at the date hereof is in accordance with the facts and does not omit anything likely to affect the import of such information.

No person has been authorised to give any information or to make any representation other than those contained in this Base Prospectus and in the relevant Final Terms in connection with the issue or sale of a Series of Certificates and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or the Dealer (each as defined in “*Overview of the Programme*”). Neither the delivery of this Base Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

In the case of any Certificates which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive, the minimum specified denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Certificates being an aggregate denomination of at least US\$150,000).

The distribution of this Base Prospectus and the offering or sale of Certificates in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus comes are required by the Issuer and the Dealer to inform themselves about and to observe any such restriction. The Certificates have not been and will not be registered under the US Securities Act of 1933 (the “**Securities Act**”), or with any securities regulatory authority of any state or other jurisdiction of the United States. The Issuer has not registered and will not register under the US Investment Company Act of 1940, as amended (the “**Investment Company Act**”). Consequently, the Certificates may not be offered, sold, resold, delivered or transferred within the United States or to, or for the account or benefit of, US persons (as defined in Regulation S under the Securities Act (“**Regulation S**”)), except in accordance with the Securities Act or an exemption therefrom or in a transaction not subject to the registration requirements of the Securities Act and under circumstances designed to preclude the Issuer from having to register under the Investment Company Act. The Certificates may be offered for sale only outside the United States to non-U.S. persons in reliance on, and in accordance with, Regulation S in compliance with applicable laws, regulations and directives. See “*Subscription and Sale and Transfer Restrictions*”.

For a description of certain restrictions on offers and sales of Certificates and on distribution of this Base Prospectus, see “*Subscription and Sale and Transfer Restrictions*”.

This Base Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer and the Dealer to subscribe for, or purchase, any Certificates.

Purchasers of Certificates should conduct such independent investigation and analysis regarding the Issuer, the security arrangements and the Certificates as they consider appropriate to evaluate the merits and risks of an investment in the Certificates. The Dealer does not make any representation, recommendation or warranty, express or implied, regarding the accuracy, adequacy, reasonableness or completeness of the information contained herein or in any further information, notice or other document which may at any time be supplied in connection with the Certificates and none of them accepts any responsibility or liability therefor. The Dealer does not undertake to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or potential investor in the Certificates of any information coming to the attention of any Dealer.

The Issuer having made all reasonable enquiries confirms that this document contains all information with respect to the Issuer and the Certificates that is material in the context of the issue and offering of the Certificates, the statements contained in it relating to the Issuer are in every material particular true and accurate and not misleading, the opinions and intentions expressed in this Base Prospectus with regard to the Issuer are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions, there are no other facts in relation to the Issuer or the Certificates the omission of which would, in the context of the issue and offering of the Certificates, make any statement in this Base Prospectus misleading in any material respect and all reasonable enquiries have been made by the Issuer to ascertain such facts and to verify the accuracy of all such information and statements.

Prospective investors should have regard to the factors described under the section headed "Risk Factors" in this Base Prospectus. This Base Prospectus does not describe all of the risks of an investment in the Certificates. Neither this Base Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer or the Dealer that any recipient of this Base Prospectus or any other financial statements should purchase the Certificates. Prospective purchasers of Certificates should conduct such independent investigation and analysis regarding the Issuer, the security arrangements (if any) and the Certificates as they deem appropriate to evaluate the merits and risks of an investment in the Certificates. Prospective purchasers of Certificates should have sufficient knowledge and experience in financial and business matters, and access to, and knowledge of, appropriate analytical resources, to evaluate the information contained in this Base Prospectus and the applicable Final Terms (if any) and the merits and risks of investing in the Certificates in the context of their financial position and circumstances. The Dealer does not undertake to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or potential investor in the Certificates of any information coming to the attention of the Dealer. The risk factors identified in this Base Prospectus are provided as general information only and the Dealer disclaims any responsibility to advise purchasers of Certificates of the risks and investment considerations associated therewith as they may exist at the date hereof or as they may from time to time alter.

A copy of this document has been delivered to the registrar of companies in Jersey (the "**Jersey Registrar**") in accordance with Article 5 of the Companies (General Provisions) (Jersey) Order 2002, as amended, and the Jersey Registrar has given, and has not withdrawn, his consent to its circulation. The Jersey Financial Services Commission (the "**Commission**") has given, and has not withdrawn, or will have given prior to the issue of the Certificates and not withdrawn, its consent under Article 4 of the Control of Borrowing (Jersey) Order 1958 to the issue of the Certificates. The Commission is protected by the Control of Borrowing (Jersey) Law 1947, as amended, against liability arising from the discharge of its functions under that law. It must be distinctly understood that, in giving these consents, neither the Jersey Registrar nor the Commission takes any responsibility

for the financial soundness of the Issuer or for the correctness of any statements made, or opinions expressed, with regard to it.

If you are in any doubt about the contents of this document you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser. It should be remembered that the price of securities and the income from them can go down as well as up.

The directors of the Issuer have taken all reasonable care to ensure that the facts stated in this document are true and accurate in all material respects, and that there are no other facts the omission of which would make misleading any statement in the document, whether of facts or of opinion. All the directors accept responsibility accordingly.

The investments described in this document do not constitute a collective investment fund for the purpose of the Collective Investment Funds (Jersey) Law 1988, as amended, on the basis that they are investment products designed for financially sophisticated investors with specialist knowledge of, and experience of investing in, such investments, who are capable of fully evaluating the risks involved in making such investments and who have an asset base sufficiently substantial as to enable them to sustain any loss that they might suffer as a result of making such investments. These investments are not regarded by the Commission as suitable investments for any other type of investor.

Any individual intending to invest in any investment described in this document should consult his or her professional adviser and ensure that he or she fully understands all the risks associated with making such an investment and has sufficient financial resources to sustain any loss that may arise from it.

In this Base Prospectus, unless otherwise specified or the context otherwise requires, references to “US\$” and “US dollars” are to United States dollars.

THE CERTIFICATES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY IN THE UNITED STATES NOR HAS THE U.S. SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY OF THE UNITED STATES PASSED UPON THE ACCURACY OR THE ADEQUACY OF THIS BASE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

THE CERTIFICATES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. THE ISSUER HAS NOT REGISTERED AND WILL NOT REGISTER UNDER THE INVESTMENT COMPANY ACT. THE CERTIFICATES MAY NOT BE OFFERED OR SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OF, US PERSONS (AS DEFINED IN REGULATION S). THIS BASE PROSPECTUS HAS BEEN PREPARED BY THE ISSUER FOR USE IN CONNECTION WITH THE OFFER AND SALE OF THE CERTIFICATES OUTSIDE THE UNITED STATES TO NON-US PERSONS PURSUANT TO REGULATION S, FOR THE LISTING OF THE CERTIFICATES ON THE IRISH STOCK EXCHANGE AND TRADING ON THE MAIN SECURITIES MARKET. FOR A DESCRIPTION OF THESE AND CERTAIN FURTHER RESTRICTIONS ON OFFERS AND SALES OF THE CERTIFICATES AND DISTRIBUTION OF THIS BASE PROSPECTUS, SEE “SUBSCRIPTION AND SALE AND TRANSFER RESTRICTIONS”.

Forward-Looking Statements

Certain matters contained within this Base Prospectus are forward-looking statements. All statements other than statements of historical facts included in this Base Prospectus, including, without limitation, those regarding the Issuer's financial position, business strategy, plans and objectives of management for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Issuer to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Issuer's present and future business strategies and the environment in which the Issuer will operate in the future. These forward-looking statements speak only as of the date of this Base Prospectus. The Issuer expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Issuer's expectations with regard thereto or any change in events, conditions or circumstances on which such statement is based.

SUPPLEMENTARY INFORMATION

The Issuer shall prepare a supplement to this Base Prospectus in the circumstances required by, and in compliance with, Article 16.1 of the Prospectus Directive and relevant implementing measures in Ireland.

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OVERVIEW OF THE PROGRAMME

The following overview is qualified in its entirety by the remainder of this Base Prospectus and the Final Terms relating to the Series of which any Certificate is a part:

Issuer	Weser Capital Limited. The registered office of the Issuer is at 47 Esplanade, St Helier, Jersey JE1 0BD. The share capital of the Issuer is £10,000 divided into 10,000 shares of £1.00 each of which two shares have been issued and are fully paid up.
Description	US\$10,000,000,000 certificate programme.
Size	Up to US\$10,000,000,000 (or the equivalent in other currencies at the trade date of the relevant Certificates) aggregate principal amount of Certificates outstanding at any one time.
Dealer and Certificate Custodian	Morgan Stanley & Co. International plc
Calculation Agent	Dominion Fund Administrators Limited
Paying Agent	The Bank of New York Mellon, London Branch
Registrar	The Bank of New York Mellon (Luxembourg) S.A.
Note Trustee	BNY Mellon Corporate Trustee Services Limited
Security Trustee	BNY Mellon Corporate Trustee Services Limited
Corporate Administrator	Dominion Corporate Services Limited. The registered office of the corporate administrator is at 47 Esplanade, St Helier, Jersey JE1 0BD
Status of Certificates	<p>The Certificates of a Series will be issued either as Secured Certificates and Secured Series Custodian Certificates only or Unsecured Certificates and Unsecured Series Custodian Certificates only.</p> <p>The Secured Certificates of each Secured Series (other than Secured Series Custodian Certificates) will be secured limited recourse obligations of the Issuer, ranking <i>pari passu</i> without any preference among themselves and secured in the manner described in “<i>Terms and Conditions of the Certificates – Status, Security and Assets of the Issuer – Mortgaged Property</i>”.</p> <p>The Unsecured Certificates of each Unsecured Series (other than the Unsecured Series Custodian Certificates) will be limited recourse obligations of the Issuer, ranking <i>pari passu</i> without any preference among themselves, will not be secured and will have the rights described in “<i>Terms and Conditions of the Certificates – Status, Security and Assets of the Issuer – Unsecured Series Property</i>”. Recourse in respect of any Unsecured Series will be limited to the Unsecured Series Property in respect of that Unsecured Series.</p> <p>Recourse in respect of any Series will be limited to the Series Assets in respect of that Series. If the net proceeds of such Series Assets are not sufficient for the Issuer to make all payments due in respect of the Certificates of that Series, the other assets of the Issuer will not be available for payment of any shortfall arising therefrom. Any such shortfall shall be borne by the Certificateholders of such Series as specified in the relevant Final Terms. The Issuer will not be obliged to</p>

make any further payment in excess of such net proceeds and accordingly no debt shall be owed by the Issuer in respect of such shortfall remaining after either (i) in respect of Secured Certificates, realisation of the Mortgaged Property and application of the proceeds in accordance with the Trust Deed or (ii) in respect of Unsecured Certificates, liquidation of the Unsecured Series Property and application of the proceeds in accordance with the Trust Deed. None of the Note Trustee, the Security Trustee, if applicable, or any Certificateholder may take any further action to recover such shortfall. In particular, none of the Note Trustee, the Security Trustee, if applicable, or any holder of Certificates, shall be entitled to institute or join with any other person in bringing, instituting or joining insolvency, winding up or bankruptcy proceedings (whether court based or otherwise) in relation to the Issuer or any of its assets.

Series Assets

Details relating to the Series Assets will be set out in the relevant Final Terms. The Series Assets in respect of a Secured Series will include any Collateral. The Series Assets in respect of an Unsecured Series will include any Underlying Assets. Series Assets of Secured Certificates are referred to as Mortgaged Property. Series Assets of Unsecured Certificates are referred to as Unsecured Series Property.

Mortgaged Property

The Secured Certificates of each Secured Series (other than Secured Series Custodian Certificates) will be secured in the manner set out in the relevant Final Terms and Supplemental Trust Deed, which will include a charge on and/or assignment of and/or other security over or in respect of (i) certain Collateral and all proceeds of, income from and sums arising from such Collateral; (ii) all sums held by the Paying Agent to meet payments due under the Certificates or by the Issuer in relation to the Collateral of such Series; and (iii) the Issuer's right, title and interest under any agreement by which the Issuer purchases the Collateral in respect of such Secured Series and the Agency Agreement, together with security over such additional property as may be described in the Supplemental Trust Deed in respect of such Secured Series and/or the relevant Final Terms.

Unsecured Series Property

The Unsecured Certificates of each Unsecured Series will not be secured. Instead the Unsecured Certificates (other than the Unsecured Series Custodian Certificates) of an Unsecured Series will rely for their payment on, *inter alia*, and, in the case of (iv) below have the benefit of, the contractual rights of the Issuer in respect of (i) certain Underlying Assets in the manner set out in the relevant Final Terms and all proceeds of, income from and sums arising from such Underlying Assets; (ii) all sums held by the Paying Agent to meet payments due under the Unsecured Certificates or by the Issuer in relation to the Underlying Assets of such Unsecured Series; (iii) the Issuer's right, title and interest under any agreement by which the Issuer purchases the Underlying Assets in respect of such Unsecured Series and the Agency Agreement as may be described in the Trust Deed in respect of such Unsecured Series and/or the relevant Final Terms; and (iv) the rights of the Issuer under other Series of Certificates which limit the recourse of Certificateholders of such other Series.

Method of issue of Certificates

The Certificates will be issued in series (each a "Series") on one or more issue dates. Certificates of a Series shall be

issued on identical terms (or identical other than in respect of the issue date), the Certificates of each Series being intended to be interchangeable with all other Certificates of that Series (other than the Custodian Certificates).

Certificates (whether Secured Certificates or Unsecured Certificates) in a Series will be constituted by a Supplemental Trust Deed for such Series. Secured Certificates in a Secured Series will also be secured pursuant to such Supplemental Trust Deed for such Secured Series. Each Supplemental Trust Deed will be supplemental to the Principal Trust Deed, which contains the provisions common to all Series of Certificates. The Supplemental Trust Deed for a single Series together with the Principal Trust Deed (together, the “**Trust Deed**” for a Series) will contain all the provisions for the issuance of the Certificates of such Series.

Issuance of a Series

On the first Issue Date of a Series:

1. the Issuer will issue the maximum number of Certificates available in such Series (as set out in the Final Terms) at a price per certificate as set out in the Final Terms for such Certificates;
2. the Dealer will pay to the Issuer the amount set out in the Final Terms (such amount being the product of (i) the maximum amount of Certificates of such Series and (ii) the price per Certificate therefor);
3. the Issuer will repurchase from the Dealer such amount of Certificates that are not being sold by the Dealer to investors on the first Issue Date of such Series at a price per Certificate as set out in the Final Terms (such price being the same as the price that the Issuer issues the issue of Certificates under 1. above); and
4. the Issuer will pay to the Dealer the amount set out in the Final Terms (such amount being the product of (i) the amount of Certificates that are not being sold by the Dealer to investors on the first Issue Date and (ii) the price per Certificate therefor).

The payments due from the Dealer to the Issuer and from the Issuer to the Dealer will be netted. The Certificates of such Series so repurchased will be held by the Certificate Custodian on behalf of the Issuer.

Denomination

All Certificates of a Series will be issued in denominations of US\$100 at a price per Certificate equal to its face value. The minimum value of Certificates of a Series that can be subscribed for by an investor or transferred by a Certificateholder (other than for transfers to the Certificate Custodian) shall be US\$150,000.

Each Subscriber will subscribe for 1,500 Certificates or more on the issue date of the Certificates. An existing Certificateholder may subsequently subscribe for any number of additional Certificates. If a new subscriber were to purchase Certificates on a date other than the issue date for such certificates from the Issuer or through the secondary market, then such subscriber will have to subscribe for no less than 1,500 Certificates but if the purchase price of each Certificate on such purchase date is less than US\$100 per Certificate, then such subscriber will have to purchase a sufficient number

of Certificates so that the purchase price payable therefor will be US\$150,000 or more.

Maturity

The Certificates of a Series are expected to mature on the Maturity Date of such Series but will be subject to mandatory redemption in full in the circumstances described below and in Condition 7. The Certificates of a Series may also be repurchased by the Issuer as described below.

The Maturity Date for a Series will be specified in the Final Terms for such Series. No payments will be due on the Certificates other than upon the occurrence of a Mandatory Redemption Event, a voluntary repurchase of the Certificates by the Issuer from the Dealer or an Event of Default prior to the Maturity Date.

Upon the occurrence of a Mandatory Redemption Event or an Event of Default and on the Maturity Date, all outstanding Certificates are expected to be redeemed in an amount per Certificate equal to the Certificate Redemption Amount on such date.

With respect to the Maturity Date the Issuer will request the realisation of the Shares in sufficient time to allow the Company to redeem or realise the underlying assets by the Maturity Date so that the only amount payable in respect of the Certificates on the Maturity Date shall be the Certificate Redemption Amount. If any amounts are received by the Issuer after the Maturity Date then such amounts shall be retained by the Issuer and available to be distributed to its shareholders for the benefit of The Weser Capital Charitable Trust.

Custodian Certificates

All Certificates of a Series repurchased by the Issuer on the Issue Date of such Series shall be Custodian Certificates for so long as they are held by the Certificate Custodian on behalf of the Issuer and either (a) for so long as the Certificates of such Series are held through a clearing system, shall be held in the Certificate Custodian's client account at the applicable clearing system or (b) if the Certificates of such Series are no longer held through a clearing system due to an Exchange Event (see "*Summary of Provisions Relating to the Certificates while Represented by the Global Certificate – Exchange of Global Certificates for Definitive Certificates*"), shall be represented by a global certificate (the "**Custodian Global Certificate**") held by the Certificate Custodian. While held through a clearing system, the Custodian Certificates will be included in the total number of Certificates issued through such clearing system, will be classed as Certificates by the applicable clearing system, but the Certificate Custodian will renounce all rights that Certificates have and will notify the clearing system accordingly. Such clearing system will treat the Certificates held in the Certificate Custodian's client account as not having any rights while they are held in the Certificate Custodian's client account and will only have the same rights as other Certificates upon transfer to a new investor.

Custodian Certificates in respect of Secured Certificates are referred to as "**Secured Series Custodian Certificates**". Custodian Certificates in respect of Unsecured Certificates are referred to as "**Unsecured Series Custodian Certificates**".

Custodian Certificates carry no voting rights, do not bear

interest and no amount of principal or interest is payable thereon and are not secured by any property. Custodian Certificates are held by the Certificate Custodian on behalf of the Issuer either (a) for so long as an Exchange Event has not occurred, through the Certificate Custodian's client account at a clearing system or (b) following an Exchange Event, through the Custodian Global Certificate.

On each date on which Custodian Certificates are sold by the Issuer to the Dealer:

- (a) in the case of Certificates that continue to be held through a clearing system, the Certificate Custodian shall transfer, in accordance with the applicable clearing system's transfer procedures, such number of Certificates being sold that are held in the Certificate Custodian's client account to the Dealer's trading account at the applicable clearing system. The applicable clearing system will carry out such transfer in accordance with its standard transfer procedures and book entries will be affected within such clearing system, such that the total number of Certificates held by the Certificate Custodian in the Certificate Custodian's client account will have been reduced by the number of Certificates by which the number of Certificates held by the Dealer in the Dealer's trading account (and then ultimately by the applicable participants, in the clearing system, for the new investors) have been increased. Such Certificates transferred by the Certificate Custodian through the clearing system will, upon transfer, cease to be treated as 'Custodian Certificates' and the clearing system shall note in its book entries that such transferred Certificates then have all the rights that other Certificates have. Morgan Stanley, as both Dealer and as the Certificate Custodian shall note in its records (outside of the clearing system) the number of Custodian Certificates transferred and the total number of Custodian Certificates remaining; or
- (b) in the case of Certificates that are no longer held through a clearing system due to the occurrence of an Exchange Event, the Custodian Global Certificate shall be written down and the number of Certificates registered in the Register shall be increased by the same number (and the names of the new Certificateholders shall be included on the Register or the number of Certificates held by an existing Certificateholder will be increased accordingly) such that, after such write-down and increase have taken place in accordance with the provisions of the Agency Agreement and the applicable Trust Deed, the total number of Custodian Certificates will have been reduced by the total number of Certificates by which the number of Certificates registered in the Register have been increased. The Custodian Certificates resold to the Dealer will upon resale cease to be Custodian Certificates and will be registered in the Register in the name of the Certificateholders or the number of Certificates held by an existing Certificateholder will be increased accordingly. Such Certificates will carry all of the rights which the existing

Certificates carry.

Custodian Certificates shall be issued at the price set out in the relevant Final Terms.

Fungible Increases:

On any Business Day after the Issue Date of a Series, the Issuer may sell, via the Dealer, to existing or new Certificateholders further Certificates in such Series on the next Company Investment Subscription Date subject to the following conditions, provided that for such Series:

- (a) the company that the proceeds of such Series are invested in (the “**Company**”) continues to accept new subscription requests for the amount of Shares which may be purchased using the proceeds of sale of such Custodian Certificates;
- (b) the Calculation Agent has confirmed that the Issuer is expected, on the next Company Investment Subscription Date, to have a sufficient number of Custodian Certificates available for purchase to meet such request;
- (c) the Subscription Conditions Precedent have been satisfied; and
- (d) the Requested Fungible Notional is equal to or greater than US\$150,000 (or such other greater amount as may be agreed between the Calculation Agent and the Dealer).

On any Business Day on which the Dealer has requested the sale of Custodian Certificates, the Issuer will direct the Certificate Custodian to sell to the Dealer for on-sale to the existing or new Certificateholders and the Dealer will agree to purchase on the next Company Investment Subscription Date such number of Custodian Certificates as the Calculation Agent may in its sole discretion determine following publication of the Share NAV on the relevant Company Investment Subscription Date and the Dealer will pay to the Certificate Custodian no later than 2pm two Company Business Days prior to such Company Investment Subscription Date an amount equal to the Requested Fungible Notional and the Certificate Custodian will remit such amount promptly to the Company on behalf of the Issuer.

The Custodian Certificates being sold will be sold to the Dealer at Certificate Price, as of the relevant Company Investment Subscription Date and will cease to be Custodian Certificates as of such date.

Mandatory Early Redemption

If:

- (a) at any time prior to the Maturity Date, if it is specified in the relevant Final Terms that the Issuer may determine in its sole discretion to redeem all Certificates and the Issuer so determines;
- (b) at any time prior to the Maturity Date, the Calculation Agent determines that an Early Termination Event (as defined in “Terms and Conditions of the Certificates”) has occurred which it does not waive; or
- (c) at any time prior to the Maturity Date, an additional Early Termination Event as set out in the relevant Final Terms for such Certificates occurs

(each a “**Mandatory Redemption Event**”) then

- (i) if the Issuer is under an obligation to request the transfer by the Certificate Custodian of a number of Custodian Certificates to the Dealer on the date on which the relevant Share NAV is published, then a number of Custodian Certificates equal to the number of Shares subscribed for by the Issuer as determined by the Company Administrator will be transferred to the Dealer, for transfer to the Certificateholders forthwith or, if Share NAV as of the relevant Company Investment Subscription Date has not yet been published, upon such publication; and
- (ii) all of the Certificates which are in issue at such time will be redeemed and the remaining Custodian Certificates will be cancelled.

Upon mandatory redemption, the Certificates will be redeemed in an amount per Certificate equal to the Net Realised Share NAV for each Share realised to effect the redemption of such Certificate (the “**Certificate Redemption Amount**”).

Upon the occurrence of a Mandatory Redemption Event, the Issuer shall give not more than two Company Business Days’ prior notice (or such other notice period as indicated in the Trust Deed for such Certificates) of the date of such mandatory redemption (the “**Redemption Date**”) to the Note Trustee, the Certificateholders and the Paying Agent (which notice shall be irrevocable). The Issuer will pay any amount due and payable to the Note Trustee and/or the Security Trustee and/or the Agents, to the extent not paid pursuant to the Expenses Agreement, and then redeem the Certificates in an amount per Certificate equal to the Certificate Redemption Amount on the date falling two Company Business Days after the Redemption Date (or such other number of days specified in the Final Terms) subject to the Issuer having received the proceeds of realisation of the Shares one Company Business Day after such Redemption Date. If receipt of the proceeds of realisation of the Shares is delayed the redemption of the Certificates will be effected within two Company Business Days of receipt thereof. If the Issuer subsequently receives, within 60 days of the Redemption Date, further amounts from the Company from the realisation of Shares in respect of such Certificates, then the Issuer will pay to the former Certificateholders their pro rata share of any such amounts. Such a situation could occur if the Company has invested in assets with limited liquidity.

Early redemption

Certificateholders do not have any right to request an early redemption of the Certificates other than as a result of an Event of Default or a Mandatory Redemption Event in accordance with the Terms and Conditions of such Certificates.

Early repurchase

The Issuer may agree in its sole discretion, if the Dealer requests the Issuer to repurchase on no less than one Company Business Day’s notice one or more Certificates on a Company Business Day (each, a “**Purchase Date**”).

To effect such repurchase, on the date on which the Issuer receives notice of such repurchase request, the Calculation Agent will request the Company to redeem a number of Shares equal to the number of Certificates being repurchased by the Issuer.

The Certificates repurchased on such Purchase Date shall be repurchased in an amount per Certificate equal to the Certificate Buy-back Amount.

Payment will be made to the Certificateholders two Company Business Days after the Purchase Date (or such other number of days as specified in the Final Terms) subject to the Issuer having received the proceeds of realisation of the Shares one Company Business Day after such Purchase Date. If receipt of the proceeds of realisation of the Shares is delayed the repurchase of the Certificates will be effected within two Company Business Days of receipt thereof by the Issuer.

If, in respect of any Certificates repurchased prior to the Maturity Date, the Issuer subsequently receives, within 60 days of the Purchase Date of such Certificates, further amounts from the Company from the realisation of Shares in respect of such Certificates, then the Issuer will pay to the former Certificateholders their pro rata share of any such amounts. Any amounts received by the Issuer from the Company after such 60 days will be retained by the Issuer. Such a situation could occur if the Company has invested in assets with limited liquidity.

All Certificates repurchased by the Issuer may be cancelled, in which case the obligations of the Issuer in respect of such Certificates shall be discharged. Absent such cancellation and notwithstanding any other provision of the Conditions, the Certificates repurchased by the Issuer shall be held by the Certificate Custodian on the Issuer's behalf and become Custodian Certificates.

On each date on which Certificates are repurchased by the Issuer from the Dealer:

- (a) in the case of Certificates that continue to be held through a clearing system, the Dealer shall transfer, in accordance with the applicable clearing system's transfer procedures, such number of Certificates being repurchased that are held in the Dealer's trading account to the Certificate Custodian's client account at the applicable clearing system. The applicable clearing system will carry out such transfer in accordance with its standard transfer procedures and book-entries will be affected within such clearing system, such that the total number of Certificates held by the Certificate Custodian in the Certificate Custodian's client account will have been increased by the total number of certificates by which the number of Certificates held by the Dealer in the Dealer's trading account (which had previously been transferred to the Dealer by the applicable participants, in the clearing system, for the investors that are requesting such repurchase) have been increased. Such Certificates transferred to the Certificate Custodian through the clearing system will, upon transfer, be treated as 'Custodian Certificates' and the clearing system shall

note in its book-entries that such transferred Certificates no longer have the rights that other Certificates have. Morgan Stanley, as both Dealer and as the Certificate Custodian shall note in its records (outside of the clearing system) the number of Custodian Certificates transferred to it and the new total number of Custodian Certificates; or

- (b) in the case of Certificates that are no longer held through a clearing system due to the occurrence of an Exchange Event, the number of Certificates registered in the Register shall be decreased (and the names of the applicable Certificateholders removed from the Register or the size of their holdings decreased) and the Custodian Global Certificate marked up by the same number such that, after such decrease and mark-up have taken place in accordance with the provisions of the Agency Agreement and the applicable Trust Deed, the total number of Custodian Certificates will have been increased by the total number of Certificates by which the number of Certificates registered in the Register has decreased.

Interest on Certificates

The Certificates will not bear interest.

Restrictions and covenants

So long as any of the Certificates remains outstanding, the Issuer will not declare any dividends (other than a dividend of up to US\$750 per Series), have any subsidiaries or employees, purchase, own, lease or otherwise acquire any real property, consolidate or merge with any other person, convey or transfer its properties or assets substantially as an entity to any person (other than as contemplated by the Conditions) or issue any shares (other than such shares as were in issue on 29 May 2012).

The Issuer may from time to time (without the consent of the Certificateholders issue further certificates, subject to the conditions precedent set out in Conditions 18(a) and (b).

Cross default

None.

Withholding tax

In the event a withholding or deduction is required by law, the Issuer shall pay net of the relevant taxes. A Certificateholder must pay all Certificateholder Expenses relating to a Certificate held by or being exercised by it as a condition precedent to receiving any amount in respect of the Certificates and the Issuer is entitled to deduct all relevant Certificateholder Expenses from any such payment to be made by it under the Certificates.

Initial delivery of Certificates

The Certificates of each Series will be issued in registered form, serially numbered for such Series and initially, and for so long as an Exchange Event has not occurred, will be held through a clearing system and represented by a Global Certificate.

The Certificates of a Series will initially be represented by interests in a global certificate (a “**Global Certificate**”), registered in the Register in the name of a nominee for the common depositary of Euroclear and Clearstream, Luxembourg (the “**Common Depositary**”) and the Global Certificate shall be deposited with the Common Depositary).

Global Certificates may also be deposited with any other clearing system. Certificates will be registered in the name of

Limited Recourse and Non-Petition

nominees or a common nominee for such clearing systems.

The Secured Certificates (other than the Secured Series Custodian Certificates) comprise secured, limited recourse obligations of the Issuer. The Unsecured Certificates (other than the Unsecured Series Custodian Certificates) comprise limited recourse obligations of the Issuer.

In respect of a Series, the Certificateholders shall have recourse only to the Series Assets of such Series, (subject, solely in the case of Secured Certificates, always to the Security), and not to any other assets of the Issuer. Claims by Certificateholders of a particular Secured Series (the **"Secured Certificateholders"**) and any other secured creditor will be limited to the Mortgaged Property of such Secured Series. Claims by Unsecured Certificateholders of a particular Unsecured Series and any other unsecured creditors will be limited to the Unsecured Series Property of such Unsecured Series.

If, after the Series Assets for a Series has been exhausted (in the case of Secured Certificates, pursuant to enforcement of the Security and in the case of Unsecured Certificates, following all necessary processes) and following the application of the available cash sums derived therefrom in accordance with Condition 4(h) of the Certificates and the Trust Deed, any outstanding claim against the Issuer in respect of the Certificates of such Series remains unpaid, then such outstanding claims will be extinguished and no debt will be owed by the Issuer in respect thereof.

Following such extinguishment, none of the Note Trustee, the Security Trustee (if applicable), the Certificateholders or any other person acting on behalf of any of them shall be entitled to take any further steps against the Issuer or any of its officers, shareholders, corporate service providers or directors to recover any further sum in respect of the extinguished claim and no debt shall be owed to any such persons by the Issuer in respect of such further sum in respect of such Series.

None of the Note Trustee, the Security Trustee (if applicable), the Certificateholders or any person acting on behalf of any of them may at any time institute, or join with any other person in bringing, instituting or joining insolvency, administration, bankruptcy, winding-up, examinership or any other similar proceedings (whether court-based or otherwise) in relation to the Issuer or any of its assets, and none of them shall have any claim arising with respect to the assets and/or property attributable to any other certificates issued by the Issuer (save for any further certificates which form a single series with the Certificates).

Such limited recourse and non-petition provisions shall survive maturity of the Certificates and the expiration or termination of the Trust Deed.

Clearing Systems

Clearstream, Luxembourg, Euroclear and, in relation to any Series, such other clearing system as may be agreed between the Issuer and the Dealer.

Governing law

English.

Listing of Certificates

Application will be made for certain Series of Certificates to be listed on the Irish Stock Exchange.

Selling restrictions	United States, United Kingdom, European Economic Area, Germany, Jersey, Ireland and any other restrictions relevant to any Series. See “ <i>Subscription and Sale and Transfer Restrictions</i> ”.
Transfer restrictions	There are restrictions on the transfer of Certificates. See “ <i>Subscription and Sale and Transfer Restrictions</i> ”.
Use of proceeds	The net proceeds of sale of the Certificates of a Series and of any other Custodian Certificates will be used by the Issuer to acquire shares or interests in a company or fund (the “ Shares ”) at their prevailing net asset value pursuant to the subscription booklet for such Company. The assets of the Company relating to the Shares will be invested by such Company.

RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Certificates issued under the Programme. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any contingency highlighted by a risk factor occurring.

Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with Certificates issued under the Programme are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Certificates issued under the Programme, but the inability of the Issuer to pay principal or other amounts on or in connection with any Certificates may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Certificates are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.

General

The Certificates

The Certificates are complex instruments that involve substantial risks and are suitable only for sophisticated investors who have sufficient knowledge and experience and access to such professional advisers as they shall consider necessary in order to make their own evaluation of the risks and the merits of such an investment (including without limitation the tax, accounting, credit, legal, regulatory and financial implications for them of such an investment) and who have considered the suitability of such Certificates in light of their own circumstances and financial condition. Prospective investors should ensure that they understand the nature of the risks posed by an investment in the Certificates, and the extent of their exposure as a result of such investment in the Certificates and, before making their investment decision, should consider carefully all of the information set forth in this Base Prospectus and the applicable Final Terms and, in particular, the considerations set forth below. Owing to the structured nature of the Certificates, their price may be more volatile than that of unstructured securities.

Investors

Each prospective investor in Certificates should have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Certificates, including where principal may reduce as a result of the occurrence of different events whether related to the creditworthiness of any entity or otherwise or changes in particular rates, prices or indices, or where the currency for principal payments is different from the prospective investor's currency.

Investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each prospective investor should therefore consult its professional advisers to determine whether and to what extent (i) the Certificates are legal investments for it, and/or (ii) other restrictions apply to its purchase or, if relevant, pledge of any Certificates. Financial institutions should consult their professional advisers or the appropriate regulators to determine the appropriate treatment of Certificates under any applicable risk-based capital or similar rules.

The redemption amounts payable under the Certificates of a Series are determined by reference to the amount of redemption proceeds which would be received in respect of a series of Shares of the relevant Company. Potential investors should be aware that:

- (a) the market price of the Certificates may be volatile;
- (b) payment of principal may occur at a different time than expected;
- (c) they may lose all or a substantial portion of their principal;
- (d) the Shares may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or indices;
- (e) the timing of changes in the value of Shares may affect the actual yield to investors.

Each potential investor should consult its own financial and legal advisers about the risk entailed by an investment in the Certificates and the suitability of such Certificates in light of its particular circumstances.

No fiduciary role

None of the Issuer, the Dealer or any of the other parties to the Relevant Agreements (the “**Series Transaction Parties**”) or any of their respective affiliates is acting as an investment adviser, and none of them (other than the Note Trustee under the applicable Trust Deed in respect of the Certificateholders only) assumes any fiduciary obligation to any purchaser of Certificates or any other party, including the Issuer.

None of the Issuer, the Dealer or any of the other Series Transaction Parties assumes any responsibility for conducting or failing to conduct any investigation into the business, financial condition, prospects, creditworthiness, status and/or affairs of any issuer or obligor of any Collateral or the terms of any Collateral.

Investors may not rely on the views or advice of the Issuer, the Dealer or any of the other Series Transaction Parties in respect of any Series for any information in relation to any person other than the entity giving the views or advice.

No reliance

A prospective purchaser may not rely on the Issuer, the Dealer or any of the other Series Transaction Parties in respect of any Series or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Certificates or as to the other matters referred to above.

No representations

None of the Issuer, the Dealer or any of the other Series Transaction Parties in respect of any Series makes any representation or warranty, express or implied, in respect of any Collateral or Underlying Assets, as applicable, or any issuer or obligor of any Collateral or Underlying Assets, as applicable, or in respect of any information contained in any documents prepared, provided or filed by or on behalf of any such issuer or obligor or in respect of such Collateral or such Underlying Assets, as applicable, with any exchange, governmental, supervisory or self regulatory authority or any other person.

None of the Issuer, the Dealer or any of the other Series Transaction Parties makes any representation or warranty in respect of the Collateral or Underlying Assets, as applicable.

Certificates obligations of the Issuer only

The Certificates will be obligations solely of the Issuer and will not be the responsibility of, or guaranteed by, any of Morgan Stanley & Co. International plc, its affiliates or any other party named in this Base Prospectus and no person other than the Issuer will accept any liability whatsoever in respect of any failure by the Issuer to pay any amount due under the Certificates.

Change of law

The Conditions, the issue of the Certificates and the ratings which may be assigned (if applicable) to the Certificates are based on English law in effect as at the date of issue of the Certificates. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of issue of the Certificates.

Risks relating to the Issuer

The Issuer is a special purpose vehicle

The Issuer's sole business is the raising of money by issuing Certificates for the purposes of purchasing assets and entering into related contracts. The Issuer has covenanted (amongst other things) not to, as long as any Certificate remains outstanding, without the consent of the Note Trustee engage in any activity or business except as provided or contemplated by the Certificates, the Custodian Certificates and the Relevant Agreements and to perform of any acts incidental to or necessary in connection therewith, or any act required by law, regulation or order of any court to be performed. In addition, the Issuer will be subject to certain other restrictions (as set out in Condition 4) including, but not limited to, that it will not, without the consent of the Note Trustee declare or pay any dividend (other than a dividend of up to US\$750 per Series) (or make any other distribution to the holders of any of its shares or have formed or cause to be formed by subsidiaries or have any employees purchase, own, lease or otherwise acquire any real property, consolidate or merge with or into any other person, or convey or transfer its properties or assets substantially in their entirety to any other person, or use, invest, sell, transfer, exchange, factor, assign, lease, hire out, lend or dispose of, or otherwise deal with any of its property or any interests therein or create or permit to edict upon or effect any mortgage, charge, pledge, lien or other encumbrance whether fixed or floating or otherwise upon the whole or any part of its property or assets (other than as contemplated by the Conditions and/or the Trust Deeds), issue any further shares or issue any warrants or options in respect of shares or securities convertible units or exchangeable for shares. As such, the Issuer has, and will have, no assets other than its issued and paid-up share capital, such fees (as agreed) payable to it in connection with the issue of Certificates from time to time and any Series Assets and any other assets on which Secured Certificates are secured. There is no day-to-day management of the business of the Issuer.

Regulation of the Issuer by any regulatory authority

Other than consent to the circulation of this Base Prospectus given by the Jersey Registrar and consent to the issuance of the Certificates given by the Commission, and unless otherwise specified for a Series of Certificates, the Issuer is not required to be licensed, registered or authorised under any current securities, commodities, insurance or banking laws or regulations of its jurisdiction of incorporation. There is no assurance, however, that in the future such regulatory authorities would not take a contrary view regarding the applicability of any such laws or regulations to the Issuer. There is also no assurance that the regulatory authorities in other

jurisdictions would not require the Issuer to be licensed or authorised under any securities, commodities, insurance or banking laws or regulations of those jurisdictions. Any requirement to be licensed or authorised could have an adverse effect on the Issuer and on the holders of the Certificates.

Registration of the Issuer under the Investment Company Act

The Issuer has not registered with the U.S. Securities and Exchange Commission as an investment company pursuant to the Investment Company Act. If the U.S. Securities and Exchange Commission or a court of competent jurisdiction were to find that the Issuer is required but, in violation of the Investment Company Act, had failed to register as an investment company, possible consequences include, but are not limited to the following: (i) the U.S. Securities and Exchange Commission could apply to a district court to enjoin the violation; (ii) investors in the Issuer could sue the Issuer and recover any damages caused by the violation; and (iii) any contract to which the Issuer is party that is made in, or whose performance involves a, violation of the Investment Company Act would be unenforceable by any party to the contract unless a court were to find that under the circumstances enforcement would produce a more equitable result than non-enforcement and would not be inconsistent with the purposes of the Investment Company Act. Should the Issuer be subjected to any or all of the foregoing, the Issuer would be materially and adversely affected.

Anti-money laundering

The Issuer may be subject to anti-money laundering legislation. If the Issuer were determined by the relevant authorities to be in violation of any such legislation, it could become subject to substantial criminal penalties. Any such violation could materially and adversely affect the timing and amount of payments made by the Issuer to Certificateholder in respect of the Issuer's Certificates.

FATCA

The Issuer may be subject to U.S. withholding tax if it fails to enter into an agreement with the IRS to report certain information about the holders of the Certificates or a holder of the Certificates may become subject to U.S. withholding if it fails to provide requested information to the Issuer.

The Hiring Incentives to Restore Employment Act, which was enacted in early 2010, contains provisions similar to the former Foreign Account Tax Compliance Act of 2009 ("**FATCA**"). FATCA imposes a 30% withholding tax on certain payments to certain non-US financial institutions (including entities such as the Issuer) who do not enter into and comply with an agreement with the United States Internal Revenue Service ("**IRS**") to provide certain information on the holders of its debt or equity (other than debt or equity interests that are regularly traded on an established securities market).

The relevant rules have not yet been fully developed and the future application of FATCA to the Issuer and the holders of Certificates is uncertain. The Issuer has not decided whether it will enter into an agreement with the IRS. If the Issuer determines that it must comply with FATCA in order to receive certain payments free of U.S. withholding tax, holders may be required to provide certain information or be subject to withholding on certain payments made to them. There will be no "gross up" (or any other additional amount) payable by way of compensation to the holder for any deducted amount.

FATCA IS PARTICULARLY COMPLEX AND ITS APPLICATION TO THE ISSUER IS UNCERTAIN AT THIS TIME. EACH HOLDER OF CERTIFICATES SHOULD CONSULT ITS OWN TAX ADVISOR TO OBTAIN A MORE DETAILED

EXPLANATION OF FATCA AND TO LEARN HOW THIS LEGISLATION MIGHT AFFECT EACH HOLDER IN ITS PARTICULAR CIRCUMSTANCE.

Risks relating to the Certificates

Limited recourse obligations

In respect of a Secured Series, the Secured Certificates (other than the Secured Series Custodian Certificates) are direct, secured, limited recourse obligations of the Issuer payable solely out of the Mortgaged Property over which security is given by the Issuer in favour of the Security Trustee on behalf of the Secured Certificateholders and other secured creditors. In respect of an Unsecured Series, the Unsecured Certificates (other than the Unsecured Series Custodian Certificates) are direct, limited recourse obligations for the Issuer payable solely out of the Unsecured Series Property. For the avoidance of doubt, the Series Assets of a Series of Certificates shall not be used to secure any other Secured Series of Secured Certificates issued by the Issuer. The Issuer will have no other assets or sources of revenue available for payment of any of its obligations under the Certificates. No assurance can be made that the proceeds available for the payment of the amounts due to the Note Trustee, the Security Trustee and the Agents (to the extent not paid pursuant to the Expenses Agreement) and the proceeds available for and allocated to the repayment of the Certificates at any particular time will be sufficient to cover all amounts that would otherwise be due and payable to the Note Trustee, the Security Trustee and the Agents (to the extent not paid pursuant to the Expenses Agreement) and under the Certificates. If, in the case of Secured Certificates, the proceeds of the realisation of the Security received by the Security Trustee or, in the case of Unsecured Certificates, the proceeds of liquidation of the Unsecured Series Property for the benefit of the Certificateholders prove insufficient to make payments on the Certificates, in respect of which payment is due, no other assets will be available for payment of the deficiency, and, following distribution of the proceeds of such realisation or liquidation, any outstanding claim against the Issuer in relation to the Certificates shall be extinguished and no debt shall be owed by the Issuer in respect thereof.

Further, only the Note Trustee may pursue remedies available under the Trust Deed as it may think fit to enforce the rights of the creditors under the Trust Deed and the Conditions and in the case of Secured Certificates, only the Security Trustee may enforce the Security, and none of the Certificateholders, any creditor or any Series Transaction Party shall be entitled to proceed directly against the Issuer unless the Note Trustee or the Security Trustee, as applicable, having become bound to proceed in accordance with the terms of the Trust Deed, fails to do so within a reasonable period and such failure is continuing.

The Unsecured Series Property of an Unsecured Series will not be ring fenced against the claims of other creditors by virtue of having the benefit of any security. There can be no guarantee that unspecified third parties will not make any claims against any Unsecured Series Property and that any Unsecured Series Property will be available to meet the claims of the Unsecured Certificateholders of the Unsecured Series at any time.

No person other than the Issuer will be obliged to make payments on the Certificates.

Note Trustee and Security Trustee indemnity

In certain circumstances, the Certificateholders of a Series may be dependent on the Note Trustee or (solely in the case of Secured Certificates) the Security Trustee to take certain actions in respect of a Series of Certificates, in particular if the Security (if applicable) in respect of such Series becomes enforceable under the

Conditions. Prior to taking such action, the Note Trustee and/or the Security Trustee (if applicable) is entitled to require to be indemnified and/or secured and/or prefunded to its satisfaction. If the Note Trustee or the Security Trustee is not indemnified and/or secured and/or prefunded to its satisfaction it may not be bound to take such action and such inaction will not constitute a breach by it of its obligations under the Trust Deed. Consequently, the Certificateholders may have to either arrange for such indemnity and/or security or accept the consequences of such inaction by the Note Trustee or the Security Trustee. Certificateholders should be prepared to bear the costs associated with any such indemnity and/or security and/or prefunding and/or the consequences of any such inaction by the Note Trustee or the Security Trustee. Such inaction by the Note Trustee or the Security Trustee will not entitle Certificateholders to take action directly against the Issuer to pursue remedies for any breach by the Issuer of the Trust Deed or the Certificates (although the events giving rise to the need for Note Trustee or Security Trustee action might also permit the Certificateholders to exercise certain rights directly under the Conditions).

Priority of Claims

During the term of the Certificates and in the case of Secured Certificates on an enforcement of the Security, the rights of the Certificateholders to be paid amounts due under the Certificates will be subordinated to (i) payment or satisfaction of, or provision for, the fees, costs, charges, expenses and liabilities incurred by the Note Trustee, and in the case of Secured Certificates only, the Security Trustee or any receiver in preparing and executing the trusts under the Trust Deed in relation to the Certificates and in carrying out their functions under the Trust Deed (including any taxes required to be paid, (solely in the case of Secured Certificates) the cost of realising any Security, and the Note Trustee's and/or the Security Trustee's remuneration) to the extent not paid pursuant to the Expenses Agreement, and (ii) payment of the fees, costs, charges, expenses and liabilities incurred by the Agents in carrying out their functions under the Agency Agreement to the extent not paid pursuant to the Expenses Agreement, and (iii) any other claims as specified in the Conditions as may be amended by the Trust Deed relating to the relevant Series that rank in priority to the Certificates.

No gross-up

In the event that any withholding tax or deduction for tax is imposed on payments on the Certificates, the Certificateholders will not be entitled to receive grossed-up amounts to compensate for such withholding tax nor be reimbursed for the amount of any shortfall.

Meetings of Certificateholders, Modification and waivers and substitution

The Trust Deed and Conditions contain provisions for convening meetings of Certificateholders to consider matters affecting their interests generally (including amendments to the Conditions and/or the Trust Deed). Such provisions include, among other things, (i) quorum requirements for the holding of Certificateholders' meetings and (ii) voting thresholds required to pass Extraordinary Resolutions at such meetings (or through written resolutions). The quorum required for a meeting of Certificateholders convened to vote on an Extraordinary Resolution (other than regarding a modification of the details of the Security (if applicable) and the Series Assets, certain terms concerning the amount, currency and postponement of the due dates for payment of the Certificates, the provisions concerning the quorum required at any meeting of Certificateholders and the provisions concerning the majority required to pass an Extraordinary Resolution (a "**Basic Terms Modification**")) is two or more person(s) holding or representing a clear majority in principal amount of

the Certificates for the time being outstanding. The quorum at an adjourned meeting is two or more persons holding Certificates or representing Certificateholders. The quorum required for a meeting of Certificateholders convened to vote on an Extraordinary Resolution relating to a Basic Terms Modification will be two or more person(s) holding or representing at least two-thirds in nominal amount of the Certificates for the time being outstanding. The quorum at an adjourned meeting to vote on an Extraordinary Resolution relating to a Basic Terms Modification is two or more person(s) holding or representing at least one-third in nominal amount of the Certificates for the time being outstanding. It should, however, be noted that Extraordinary Resolutions (including to amend the Conditions and/or the Trust Deed) may still be effected in circumstances where not all Certificateholders agree with the terms thereof and an Extraordinary Resolution in respect of any such amendments or waivers once passed in accordance with the provisions of the Conditions will be binding on all such dissenting Certificateholders.

The Trust Deed and Conditions also provide that the Note Trustee may, without the consent of any of the Certificateholders, agree to and, in the case of Secured Certificates, may direct the Security Trustee to agree to (i) any modification of any of the provisions of the Trust Deed or the Relevant Agreements which is in the opinion of the Note Trustee of a formal, minor or technical nature or is made to correct a manifest error or (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach of any of the provisions of the Trust Deed or any of the Relevant Agreements which, in any such case, is in the opinion of the Note Trustee not materially prejudicial to the interest of all of the Certificateholders.

Secured Certificateholders and Unsecured Certificateholders shall have no right of action against the Note Trustee if the Note Trustee agrees to any such modifications to the Relevant Agreements that affect either the Secured Certificateholders or the Unsecured Certificateholders.

Early redemption for Events of Default, tax or other reasons

The Certificates may be redeemed on a date other than on the Maturity Date upon the occurrence of certain tax events with respect to the Certificates or the Collateral in the case of the Secured Certificates or the Underlying Assets in the case of Unsecured Certificates, upon any of the Collateral or the Underlying Assets, as applicable, being called for redemption or repayment prior to its scheduled Maturity Date. In addition, the Issuer, the Certificateholders and/or the Note Trustee (depending on the relevant event and as specified in the Conditions) may have the right to direct a redemption of the Certificates upon the occurrence of an Event of Default with respect to the Certificates, or the occurrence of certain default events relating to the Collateral or the Underlying Assets as applicable. The amount payable per Certificate to Certificateholders in such circumstances will be, unless otherwise specified in the applicable Final Terms, an amount equal to the outstanding principal amount of such Certificate, subject to the payment of all prior ranking amounts as provided in the Conditions. The Issuer will fund such payments under a Series of Certificates from payment(s) due to it under the Collateral or the Underlying Assets as the case may be (if applicable). This will expose Certificateholders to the market value of the Collateral or the Underlying Assets, as applicable (for a consideration of factors that may impact such values see “*Risk Factors – Market Value of Certificates*” below).

If, following the realisation in full of the Mortgaged Property in the case of Secured Certificates or the Underlying Series Property in the case of Unsecured Certificates relating to the relevant Series of Certificates (in the case of Secured Certificates by way of enforcement of the Security) and application of available cash sums as

provided in the Conditions, there are any outstanding claims against the Issuer in respect of such Series of Certificates which remain unpaid, then such outstanding claim will be extinguished and no debt will be owed by the Issuer in respect thereof. In such circumstances, the investors in the Certificates may not receive back their investment and may receive zero.

Market Value of Certificates

The market value of the Certificates may be affected by a number of factors, including, but not limited to (i) the value and volatility of the Collateral or the Underlying Assets, as applicable, if any and the creditworthiness of the issuers and obligors of any Collateral or the Underlying Assets, (ii) the value and volatility of any index, securities, commodities or property to which payments on the Certificates may be linked, directly or indirectly, and the creditworthiness of the issuers or obligors in respect of any securities or other obligations to which payments on the Certificates may be linked, directly or indirectly, (iii) market perception, interest rates, yields and foreign exchange rates and (iv) the time remaining to the Maturity Date. Any price at which Certificates may be sold prior to the Maturity Date may be at a discount, which could be substantial, to the value at which the Certificates were acquired on the Issue Date.

Prospective purchasers should be aware that not all market participants would determine prices in respect of the Certificates in the same manner, and the variation between such prices may be substantial. Accordingly, any prices provided by the Dealer may not be representative of prices that may be provided by other market participants. For this reason, any price provided or quoted by the Dealer should not be viewed or relied upon by prospective purchasers as establishing, or constituting advice by the Dealer concerning, a mark-to-market value of the Certificates. The price (if any) provided by the Dealer is at the absolute discretion of the Dealer and may be determined by reference to such factors as it sees fit. Any such price may take into account fees, commissions or arrangements entered into by the Dealer with a third party in respect of the Certificates and that Dealer shall have no obligation to any Certificateholder to disclose such arrangements. Any price given would be prepared as of a particular date and time and would not therefore reflect subsequent changes in market values or any other factors relevant to the determination of the price.

Risks relating to the assets

No investigations

No investigations, searches or other enquiries have been or will be made by or on behalf of the Issuer or the Note Trustee in respect of the Collateral or the Underlying Assets, as applicable (if any) relating to any Series of Certificates. No representations or warranties, express or implied, have been given by the Issuer, the Dealer, the Note Trustee, the Security Trustee or any other person on their behalf in respect of the Collateral or the Underlying Assets, as applicable (if any) relating to any Series of Certificates and Underlying Assets.

Collateral

The Collateral or the Underlying Assets, as applicable, relating to any Certificates will be subject to credit, liquidity and interest rate risks. In the event of an insolvency of an issuer or obligor in respect of any Collateral or Underlying Assets, various insolvency and related laws applicable to such issuer or obligor may (directly or indirectly) limit the amount the Issuer, the Note Trustee or the Security Trustee (if applicable) may recover in respect such Collateral or Underlying Assets.

If Certificates redeem other than on their Maturity Date, the Collateral or the Underlying Assets, as applicable, relating thereto will be sold or otherwise liquidated (except where otherwise transferred in accordance with the Conditions). No assurance can be given as to the amount of proceeds of any sale or liquidation of such Collateral or Underlying Assets at that time since the market value of such Collateral or Underlying Assets will be affected by a number of factors including but not limited to (i) the creditworthiness of the issuers and obligors of the Collateral or Underlying Assets, (ii) market perception, interest rates, yields and foreign exchange rates, (iii) the time remaining to the scheduled maturity of the Collateral or Underlying Assets and (iv) the liquidity of the Collateral or Underlying Assets. Accordingly, the price at which such Collateral or Underlying Assets is sold or liquidated may be at a discount, which could be substantial, to the market value of the Collateral or Underlying Assets on the issue date and the proceeds of any such sale or liquidation and any other assets available to the Issuer that relate to the relevant Series of Certificates may not be sufficient, following deduction of amounts to be paid to prior ranking claimants in accordance with the Conditions, to repay the full amount of principal of and interest on the relevant Certificates that the holders of such Certificates would expect to receive in the event that the Certificates were redeemed in accordance with their terms on their Maturity Date.

The Dealer may have acquired, or during the terms of the Certificates may acquire, confidential information or enter into transactions with respect to any Collateral or Underlying Assets, as applicable, and they shall not be under any duty to disclose such confidential information to any Certificateholder or the Issuer.

Risks relating to the Paying Agent

Any payments made to Certificateholders in accordance with the terms and conditions of the Certificates will be made by the Paying Agent on behalf of the Issuer. Pursuant to the Agency Agreement, the Issuer is to transfer to the Paying Agent such amount as may be due under the Certificates, on or before each date on which such payment in respect of the Certificates becomes due.

If the Paying Agent, while holding funds for payment to Certificateholders in respect of the Certificates, is declared insolvent, the Certificateholders may not receive all (or any part) of any amounts due to them in respect of the Certificates from the Paying Agent. The Issuer will still be liable to Certificateholders in respect of such unpaid amounts but the Issuer will have insufficient assets to make such payments (or any part thereof) and Certificateholders may not receive all, or any part, of any amounts due to them. Consequently, the Certificateholders are relying not only on the creditworthiness of the Collateral or the Underlying Assets, if applicable, but also on the creditworthiness of the Paying Agent in respect of the performance of its obligations under the Agency Agreement to make or facilitate payments to Certificateholders.

Conflicts of Interest

General

Any Series Transaction Party and any of its affiliates may act in a number of capacities in connection with any issue of Certificates. Any Series Transaction Party or any such affiliate, as the case may be, when acting in such capacities in connection with the transactions described herein in respect of any Series of Certificates shall have only the duties and responsibilities expressly agreed to by such entity in the relevant capacity and shall not, by virtue of its or any affiliate acting in any other capacity, be deemed to have other duties or responsibilities or be deemed to hold a standard of care other than as expressly provided with respect to the relevant capacity. Any Series Transaction Party and any of its affiliates in its various capacities may enter into

business dealings relating to the Certificates or the Collateral or Underlying Assets, as applicable, or any asset to which the Certificates or Collateral or Underlying Assets are exposed, including the acquisition and/or sale of the Certificates, from which they may derive revenues and profits in addition to any fees stated in the various documents, without any duty to account therefor.

Any Series Transaction Party and any of its affiliates may from time to time be in possession of certain information (confidential or otherwise) and/or opinions with regard to the issuer or obligor of any Collateral or Underlying Assets which information and/or opinions might, if known by a Certificateholder, affect decisions made by it with respect to its investment in the Certificates. Notwithstanding this, none of the Series Transaction Parties or any of their affiliates shall have any duty or obligation to notify the Certificateholder or the Issuer or any other Series Transaction Parties (including any directors, officers or employees thereof) of such information and/or opinions.

Any Series Transaction Party and any of its affiliates may deal in any obligation of the issuer or obligor of any Collateral or Underlying Assets and may accept deposits from, make loans or otherwise extend credit to, and generally engage in any kind of commercial or investment banking or other business transactions with, the issuer or obligor of any Collateral or Underlying Assets and may act with respect to such transactions in the same manner as if the Certificates of the relevant Series did not exist and without regard to whether any such action might have an adverse effect on the issuer or obligor of any Collateral or Underlying Assets, the Issuer or the Certificateholders of the relevant Series.

Any Series Transaction Party and any of its affiliates may at any time be active and significant participants in or act as market maker in relation to a wide range of markets for currencies, instruments relating to currencies, securities and derivatives. Activities undertaken by any Series Transaction Party and any of its affiliates may be on such a scale as to affect, temporarily or on a long-term basis, the price of such currencies, instruments relating to currencies, securities and derivatives or securities and derivatives based on, or relating to the Certificates or any Collateral or Underlying Assets. Notwithstanding this, none of the Series Transaction Parties or any of their affiliates shall have any duty or obligation to take into account the interests of any party in relation to any Certificates when effecting transactions in such markets.

One or more of the Series Transaction Parties and their affiliates may:

- (a) have placed or underwritten, or acted as a financial arranger, structuring agent or adviser in connection with the original issuance of, or may act as a broker or dealer with respect to the Collateral or Underlying Assets;
- (b) act as trustee, paying agent and in other capacities in connection with certain of the Collateral or Underlying Assets or other classes of securities issued by an issuer of, or obligor with respect to, the Collateral or Underlying Assets or an affiliate thereof;
- (c) be a counterparty to issuers of, or obligors with respect to, certain of the Collateral or Underlying Assets under a swap or other derivative agreements;
- (d) lend to certain of the issuers of, or obligors with respect to, the Collateral or Underlying Assets or their respective affiliates or receive guarantees from such issuers, obligors or their respective affiliates;

- (e) provide other investment banking, asset management, commercial banking, financing or financial advisory services to the issuers of, or obligors with respect to, the Collateral or Underlying Assets or their respective affiliates; or
- (f) have an equity interest, which may be a substantial equity interest, in certain issuers of, or obligors with respect to, the Collateral or Underlying Assets or their respective affiliates.

When acting as a trustee, paying agent or in other service capacities with respect to the Collateral or Underlying Assets, the Series Transaction Parties are entitled to fees and expenses (if not otherwise paid) senior in priority to payments on such Collateral or Underlying Assets. When acting as a trustee for other classes of securities issued by the issuer or obligor of any Collateral or Underlying Assets or an affiliate thereof, a Series Transaction Party may owe fiduciary duties to the holders of such other classes of securities, which classes of securities may have differing interests from the holders of the class of securities of which the relevant Collateral is a part, and may take actions that are adverse to the holders (including, where applicable, the Issuer) of the class of securities of which the relevant Collateral or Underlying Assets are a part. As a counterparty under swaps and other derivative agreements, a Series Transaction Party may take actions adverse to the interests of the Issuer, including, but not limited to, demanding collateralisation of its exposure under such agreements (if provided for thereunder) or terminating such swaps or agreements in accordance with the terms thereof. In making and administering loans and other obligations, a Series Transaction Party may take actions including, but not limited to, restructuring a loan, foreclosing on or exercising other remedies with respect to a loan, requiring additional collateral or other credit enhancement, charging significant fees and interest, placing the issuers of, or obligors with respect to, any Collateral or Underlying Assets in bankruptcy and/or demanding payment on a loan guarantee or under other credit enhancement. The Issuer's acquisition, holding and sale of the Collateral or Underlying Assets may enhance the profitability or value of investments made by a Series Transaction Party in the issuers thereof or obligors in respect thereof. As a result of all such transactions or arrangements between a Series Transaction Party and issuers of, and obligors with respect to, the Collateral or Underlying Assets or their respective affiliates, a Series Transaction Party may have interests that are contrary to the interests of the Issuer and the Certificateholders.

The Note Trustee

In connection with the exercise of its functions in respect of a Series, the Note Trustee shall have regard to the interests of the Certificateholders of that Series as a class and shall not have regard to the consequences of such exercise for individual Certificateholders and the Note Trustee shall not be entitled to require, nor shall any Certificateholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Certificateholders. In acting as Note Trustee under the Trust Deed, the Note Trustee shall not, in respect of Certificates of any Series, assume any duty or responsibility to the Paying Agent or any other secured creditor or any other Series Transaction Party (other than to pay any such party any moneys received and payable to it and to act in accordance with the Conditions and the Trust Deed) and shall have regard solely to the interests of the Certificateholders and shall not be obliged to act on any directions of any secured creditor or Series Transaction Party if this would in the Note Trustee's opinion be contrary to the interests of the Certificateholders (other than if such actions are in accordance with the Relevant Agreements).

Risks relating to third parties

Reliance on third parties

The Issuer is a party to contracts with a number of third parties who have agreed to perform services in relation to the Certificates. Counterparties of the Issuer may not perform their respective obligations under the Relevant Agreements, which may result in the Issuer not being able to meet its obligations. The Note Trustee, the Security Trustee (if any), the Paying Agent, and/or any of their affiliates, as well as the other parties to the Relevant Agreements acting in their respective capacities, shall not, by virtue of acting in any such capacity, be deemed to have other duties or responsibilities other than as expressly provided with respect to each such capacity.

There can be no certainty that, in the event that any such third party needs to be replaced, a replacement party can be found to take over their responsibilities or that such replacement party will agree to do so on identical terms of those agreed with the outgoing party. Furthermore, the liability of any such party, the extent to which the Issuer may make a claim in the event of inadequate performance or non-performance may be limited by the provisions of the relevant contract. In such case, the ability of the Issuer to recover damages incurred may be reduced, which would in turn affect the amount available to make payments under the Certificates.

The Dealer has agreed to pay certain fees, costs and expenses of the Issuer in relation to the Certificates. In the event that the Dealer does not meet such obligations on time and in full (which may occur, for example, upon the insolvency (or the occurrence of an analogous event) of the Dealer), the Issuer may not be able to meet its periodic costs and expenses which may lead to a default of the Issuer's obligations under the Trust Deed and consequently an Event of Default.

Other commercial relationships of the parties involved and conflicts of interest

The parties to the Relevant Agreements may have ongoing relationships with each other and may own securities or other obligations issued by them or deal in any obligation of another party to the Relevant Agreements and may accept deposits from, make loans or otherwise extend credit to, and generally engage in any kind of commercial or investment banking, investment management or other business transactions with each other and may act with respect to such transactions in the same manner as if the Relevant Agreements and the Certificates did not exist.

Any party to the Relevant Agreements, other than the Issuer, may purchase Certificates from time to time and their interests may conflict with those of other Certificateholders. As a consequence of these or other such relationships, potential or actual conflicts of interest may exist and/or arise in relation to the Relevant Agreements.

Risk Factors relating to the market

Limited liquidity of the Certificates

Although application may be made to admit the Certificates to the Official List of the Irish Stock Exchange or the official list of another stock exchange and admit them to trading on the Main Securities Market or on the regulated market of any other stock exchange, there is currently no secondary market for the Certificates. There can be no assurance that a secondary market for any of the Certificates will develop, or, if a secondary market does develop, that it will provide the holders of the Certificates with liquidity or that it will continue for the life of the Certificates.

Investors should note that the market for the Certificates will be affected by, among other things, supply and demand for the Certificates, and that, accordingly, it should not be assumed that there will be a significant correlation between the market value of

the Certificates and the market value of the Collateral or the Underlying Assets, as applicable. Prospective investors should be aware that the market value of the Certificates may also be affected by events in the capital and credit markets which may have an effect on the market value of the Collateral or Underlying Assets, the Issuer and/or similar structured securities generally.

In addition, the liquidity of any trading market (should any develop) in the Certificates may be adversely affected by changes in the overall market for investment and non-investment grade securities. If such a trading market were to develop, the Certificates could trade at prices that may be higher or lower than the initial offering price depending on many factors including prevailing interest rates and the market for similar securities.

Consequently, any investor of the Certificates must be prepared to hold such Certificates for an indefinite period of time or until redemption of the Certificates. Under normal market conditions, subject to applicable law and the Dealer's policies, the Dealer will use reasonable efforts to make a market for the Certificates and quote bid and offer prices. However, the Dealer is under no obligation to continue to do so and may stop making a market at any time.

Risks relating to the Banking Act 2009

Under the Banking Act 2009 (the "**Banking Act**"), substantial powers have been granted to HM Treasury, the Bank of England and the UK Financial Services Authority (together, the "**Authorities**") as part of the special resolution regime (the "**SRR**"). These powers enable the Authorities to deal with and stabilise UK-incorporated institutions with permission to accept deposits pursuant to Part IV of the Financial Services and Markets Act 2000 (the "**FSMA**") (such as, among others, the Dealer) (a "**Relevant Entity**") that are failing or are likely to fail to satisfy the threshold conditions (within the meaning of section 41 of the FSMA). The SRR consists of three stabilisation options: (i) transfer of all or part of the business of the Relevant Entity or the shares of the Relevant Entity to a private sector purchaser; (ii) transfer of all or part of the business of the Relevant Entity to a "bridge bank" wholly-owned by the Bank of England; and (iii) temporary public ownership of the Relevant Entity. HM Treasury may also take a parent company of a Relevant Entity into temporary public ownership where certain conditions are met. The Banking Act also provides for two new insolvency and administration procedures for relevant entities. Certain ancillary powers include the power to modify certain contractual arrangements in certain circumstances. It is possible that one of the stabilisation options could be exercised prior to the point at which any application for an insolvency or administration order with respect to the Relevant Entity could be made.

In general, the Banking Act requires the Authorities to have regard to specified objectives in exercising the powers provided for by the Banking Act. One of the objectives (which is required to be balanced as appropriate with the other specified objectives) refers to the protection and enhancement of the stability of the financial system of the United Kingdom. The Banking Act includes provisions related to compensation in respect of transfer instruments and orders made under it. The Authorities are also empowered by order to amend the law for the purpose of enabling the powers under the special resolution regime to be used effectively. An order may make provision which has retrospective effect. In general, there is considerable uncertainty about the scope of the powers afforded to the Authorities under the Banking Act and how the Authorities may choose to exercise them.

If an instrument or order were to be made under the Banking Act in respect of a Relevant Entity, such instrument or order may (amongst other things) affect the ability

of such entities to satisfy their obligations under the Relevant Agreements and/or result in modifications to such documents. In particular, modifications may be made pursuant to powers permitting certain trust arrangements to be removed or modified and/or via powers which permit provision to be included in an instrument or order such that the relevant instrument or order (and certain related events) is required to be disregarded in determining whether certain widely defined “default events” have occurred (which events would include certain events included in the Relevant Agreements in respect of the relevant entity, including termination events). As a result, the making of an instrument or order in respect of a Relevant Entity may affect the ability of the Issuer to meet its obligations in respect of the Certificates. While there is provision for compensation in certain circumstances under the Banking Act, there can be no assurance that Certificateholders would recover compensation promptly and equal to any loss actually incurred.

At present, the Authorities have not made an instrument or order under the Banking Act in respect of the Relevant Entities referred to above and there has been no indication that it will make any such instrument or order, but there can be no assurance that this will not change and/or that Certificateholders will not be adversely affected by any such instrument or order if made.

Risks relating to Global Events

General

Since mid-2007, the global economy and financial markets have experienced extreme levels of instability and during 2008, the initial instability intensified into a severe global financial crisis.

In response to the crisis various governments and central banks took substantial measures to ease liquidity problems and enacted fiscal stimulus packages and measures to support certain entities affected by the crisis. Such measures included establishing special liquidity schemes and credit facilities, bank recapitalisation programmes and credit guarantee schemes.

No assurance can be given that any recovery will be sustained or that certain economies will not encounter a “double dip” recession. In particular, a number of countries have accumulated significant levels of public debt both absolutely and relative to GDP. This has led to international “bail-outs” of certain countries and resulted in general concerns about sovereign credit defaults which could undermine any recovery and could have the effect of taking the credit crisis into a new recessionary phase.

The above factors have also led to substantial volatility in markets across asset classes, including (without limitation) stock markets, foreign exchange markets, fixed income markets and credit markets.

There can be no assurance that the steps taken by governments or international or supra-national bodies to ameliorate the global financial crisis will be successful and that they will not instead lead or contribute to a deeper and/or longer-lasting recession. The structure, nature and regulation of financial markets in the future may be fundamentally altered as a consequence of the global financial crisis, possibly in unforeseen ways. There can be no assurance that similar or greater disruption may not occur in the future for similar or other reasons. In addition, the attempts being taken to reduce the high level of sovereign debt may themselves contribute to a further global recession. There can be no assurance as to how severe the global recession will be or as to how long it will last. Economic prospects are subject to considerable uncertainty.

Prospective investors should ensure that they have sufficient knowledge and awareness of the global financial crisis and the response thereto and of the economic situation and outlook as they consider necessary to enable them to make their own evaluation of the risks and merits of an investment in the Certificates. In particular, prospective investors should take into account the considerable uncertainty as to how the global financial crisis and the wider economic situation will develop over time.

Any person who had held securities during the periods considered above, particularly structured securities, would be highly likely to have suffered significant adverse effects as a result of such holding, including, but not limited to, major reductions in the value of those securities and a lack of liquidity. A significant number of credit events have occurred in respect of reference entities referenced in structured securities. Prospective investors should consider carefully whether they are prepared to take on similar risks by virtue of an investment in the Certificates.

Impact on Liquidity

The events outlined above have had an extremely negative effect on the liquidity of financial markets generally and in the markets in respect of certain financial assets or in the obligations of certain obligors. This has particularly been the case with respect to the market for structured assets and the obligations of financial institutions and certain sovereigns. Such assets may either not be saleable at all or may only be saleable at significant discounts to their estimated fair value or to the amount originally invested. No assurance can be given that liquidity in the market generally, or in the market for any particular asset class or in the obligations of any particular financial institution or sovereign, will improve or that it will not worsen in the future. Such limited liquidity may have a negative impact on the value of the Certificates or the value of the Collateral or Underlying Assets, as applicable, in terms of the assets or indices referenced. In particular, should the Certificates be redeemed early, Certificateholders will be exposed to the realisation value of the Collateral or Underlying Assets which value might be affected (in some cases significantly) by such lack of liquidity.

Concerns about the creditworthiness of the Paying Agent may also impact the value of the Certificates.

Impact on Credit

The events outlined above have negatively affected the creditworthiness of a number of entities or governments, in some cases to the extent of collapse or requiring rescue from governments or international or supra-national bodies. Such credit deterioration has and may continue to be widespread. The value of the Certificates or of the amount of payments under them may be negatively affected by such widespread credit deterioration. Prospective investors should note that recoveries on assets of affected entities have in some cases been *de minimis* and that similarly low recovery levels may be experienced with respect to other entities or governments in the future which may include the obligors of the Collateral or Underlying Assets (or any guarantor or credit support provider in respect thereof). Prospective investors should also consider the impact of a default by the Paying Agent and possible delays and costs in being able to access property held with a failed custodian.

Impact on Valuations and Calculations

Since 2007, actively traded markets for a number of asset classes and obligors have either ceased to exist or have reduced significantly. To the extent that valuations or

calculations in respect of instruments related to those asset classes were based on quoted market prices or market inputs, the lack or limited availability of such market prices or inputs has significantly impaired the ability to make accurate valuations or calculations in respect of such instruments. No assurance can be given that similar impairment may not occur in the future.

Furthermore, in a number of asset classes, a significant reliance has historically been placed on valuations derived from models that use inputs that are not observable in the markets and/or that are based on historical data and trends. Such models often rely on certain assumptions about the values or behaviour of such unobservable inputs or about the behaviour of the markets generally or interpolate future outcomes from historical data. In a number of cases, the extent of the market volatility and disruption has resulted in the assumptions being incorrect to a significant degree or in extreme departures from historical trends. Where reliance is placed on historical data, in certain instances such data may only be available for relatively short time periods (for example, data with respect to prices in relatively new markets) and such data may not be as statistically representative as data for longer periods.

Prospective investors should be aware of the risks inherent in any valuation or calculation that is determined by reference to a model and that certain assumptions will be made in operating the model which may prove to be incorrect and give rise to significantly different outcomes to those predicted by the model.

Impact of Increased Regulation and Nationalisation

The events since 2007 have seen increased involvement of governmental and regulatory authorities in the financial sector and in the operation of financial institutions. In particular, governmental and regulatory authorities in a number of jurisdictions have imposed stricter regulatory controls around certain financial activities and/or have indicated that they intend to impose such controls in the future. The United States of America, the European Union and other jurisdictions are actively considering or are in the process of implementing various reform measures. Such regulatory changes and the method of their implementation may have a significant impact on the operation of the financial markets. It is uncertain how a changed regulatory environment will affect the Issuer, the treatment of instruments such as the Certificates, the Dealer, and the other Series Transaction Parties. In addition, governments have shown an increased willingness, wholly or partially to nationalise financial institutions, corporates and other entities in order to support the economy. Such nationalisation may impact adversely on the value of the stock or other obligations of any such entity. In addition, in order to effect such nationalisation, existing obligations or stock might have their terms mandatorily amended or be forcibly redeemed. To the extent that the obligors of the Collateral or Underlying Assets (or any guarantor or credit support provider in respect thereof), or any other person or entity connected with the Certificates is subject to nationalisation or other government intervention, it may have an adverse effect on a holder of a Certificate.

Systemic Risk

Financial institutions and other significant participants in the financial markets that deal with each other are interrelated as a result of trading, investment, clearing, counterparty and other relationships. This risk is sometimes referred to as “systemic risk”. Financial institutions such as the Dealer, the Note Trustee, the Security Trustee and the Paying Agent (or any affiliate of any of them) and any obligors of the Collateral or Underlying Assets (or any guarantor or credit support provider in respect thereof) that are financial institutions or are significant participants in the

financial markets are likely routinely to execute a high volume of transactions with various types of counterparties, including brokers and dealers, commercial banks, investment banks, insurers, mutual and hedge funds and institutional clients. To the extent they do so, they are and will continue to be exposed to the risk of loss if counterparties fail or are otherwise unable to meet their obligations. In addition, a default by a financial institution or other significant participant in the financial markets, or concerns about the ability of a financial institution or other significant participant in the financial markets to meet its obligations, could lead to further significant systemic liquidity problems and other problems that could exacerbate the global financial crisis and as such have a material adverse impact on other entities.

RISKS RELATED TO COMPANY AND SHARES

The Certificate Redemption Amount of the Certificates is dependent upon the redemption proceeds that would be received in respect of the Shares. Accordingly, an investment in the Certificates may bear similar market risks to a direct investment in the Shares and investors should take advice accordingly. An investment in the Certificates will entail significant risks not associated with a conventional debt security.

Despite the fact that, in relation to the Company, a net asset value may be published, potential investors should be aware that payments on the Certificates will be determined by reference to Realised Share NAV. Any such amounts may be significantly different from amounts calculated by reference to the net asset value of the Company. In addition, potential investors should be aware that, in relation to payments due on Certificates which are determined by reference to amounts that would be received by an investor, where such investor would receive payments after their scheduled payment date, corresponding delays may also be made to equivalent payments on the Certificates.

The following are the types of risk factors typically associated with investing directly in interests of a company or fund of the same type as the Shares in a Company. The risk factors described in the sections below reference a single "Company" and its various related Company Service Agents (as defined below). However, these risk factor sections are applicable to each Company in which the Issuer invests the net proceeds of the Certificates of a particular Series.

Investors in all Series should be aware of all such risk factors although not all of them will necessarily apply to the Company associated with their particular Series.

If the risks materialise for the Company (or its related Company Service Agents) related to a particular Series of Certificates, only the Certificates of such Series would be affected. However, the risks are generic and could materialise for the entities associated with more than one Series of Certificates, especially if such entities act for more than one Company.

Investment in the Company

The short-term performance of the Company's investments may fluctuate significantly, although the Company Manager (as defined below) for the Company will seek to achieve significant gains over the longer term. Therefore, investment in the Company is not suitable for short-term investment.

Company Structure and Organisational Risks

Illiquidity and Restrictions on Transferability of Interests. Shares in the Company may only be transferable with the consent of the Company Manager. Consequently, the Issuer may only be able to dispose of the Shares by means of withdrawal on a Business Day (with a certain number of Business Days' prior notice) (and, in certain circumstances, the right of withdrawal may be limited or suspended). There is no secondary market for the Shares of the Company and none is expected to develop.

Potential Loss. The Issuer, as a member of the Company, could lose all or a substantial portion of its investment.

Lack of Regulation. The Company is not, and will not be registered with, or regulated by, any securities or governmental authority. Accordingly, the benefits of any further or additional registrations and regulations, are not, and will not be applicable to the Company or available to its Members (as defined below), including the Issuer.

Conflicts of Interest. The Company is or will be subject to several conflicts of interest. Among them:

- (a) the Company Trading Adviser (as defined below) is not required to devote its full time to the Company;
- (b) the Company Trading Adviser may have a conflict of interest when allocating investment opportunities between the Company and its other clients. However, when making investments where a conflict of interest may arise, the Company Trading Adviser will act in a fair and equitable manner as between the Company and its other clients;
- (c) the Company Trading Adviser and commodities broker may trade in the types of assets invested in by the Company for their own respective accounts;
- (d) in structuring the Company, the Company Manager may not have retained separate legal counsel to represent the Members of the Company; and
- (e) the Company Administrator, Company Commodity Broker (as defined below) and Company Trading Adviser (collectively, the "**Company Service Agents**") may engage in businesses that are competitive to that of the Company. Each of the Company Service Agents, may also apply for Shares and/or have other potential or actual conflicts of interest with the Company from time to time.

Lack of Control and Reliance on the Company Manager. Except to the extent that the corporate governance documents or applicable corporate law accord Members certain rights with respect to corporate matters, the Members, including the Issuer, will have no right to participate in the management of the Company or in the control of its business. Accordingly, the Issuer will entrust all aspects of management of the Company to the Company Manager. The Company's success will depend completely on the efforts of the Company Manager and its Company Trading Adviser and economic conditions.

The Company Manager Relies Heavily on its Key Personnel to Manage the Company. The Loss of Such Personnel Could Adversely Affect the Company. In managing and directing the day-to-day activities and affairs of the Company, the Company Manager relies heavily on its directors. The Company Manager is leanly staffed. If any of the Company Manager's key persons were to leave or be unable to carry out his or her present responsibilities, it may have an adverse effect on the management of the Company.

Members May Not Be Able to Establish a Basis for Liability Against a Company Service Agent. The Company Service Agents act only as Company Service Agents to the Company. These parties do not act as Company Service Agents to Members.

Therefore, Members, including the Issuer, have no contractual privity with the Company Service Agents. Due to this lack of contractual privity, Members may not be able to establish a basis for liability against any Company Service Agent.

Indemnification. The Company will indemnify the Company Manager, the Company Trading Adviser and other service providers and their respective principals and affiliates against various liabilities they may incur in providing services to the Company, provided the indemnified party meets the standard of conduct specified in the applicable agreement's indemnification clause and the indemnification standards as set down in the corporate governance documents. The Company's indemnification obligations could require the Company to make substantial indemnification payments.

Limited Operating History. The Company has been recently formed or will be formed in the future and therefore has limited or no trading activities as of the date of this Base Prospectus. Consequently, there will be limited operating history upon which the Issuer (and therefore also investors in the Certificates) can evaluate past performance. There can be no assurance the Company Trading Adviser will achieve the investment objective of the Company.

Past Performance Information. Past results are not necessarily indicative of future performance. No assurance can be given that the Company Trading Adviser will achieve the investment objective of the Company and that profits will be achieved or that substantial losses will not be incurred.

Substantial Fees and Costs. The Company will be obligated to pay substantial transaction fees (commissions), costs and expenses, regardless of whether the Company realises profits. The Company is also subject to the payment of management fees to the Company Trading Adviser whether or not the Company is profitable. The Company will therefore be required to make substantial trading profits to avoid depletion or exhaustion of its assets from the charges and expenses to which the Company will be subject.

The Company May Incur Higher Fees and Expenses Upon Renewing Existing or Entering into New Contractual Relationships. The clearing agreements between the clearing brokers and the Company generally are terminable by the clearing brokers once the clearing broker has given the Company the required notice. Upon termination of a clearing agreement, the Company Manager may be required to renegotiate that agreement or make other arrangements for obtaining clearing services. The services of the clearing brokers may not be available, or even if available, these services may not be available on the terms as favourable as those contained in the expired or terminated clearing agreements.

Portfolio Valuation. The assets of the Company and its respective net asset value ("NAV") will be calculated using standard independent pricing sources, if available. Illiquid securities and other special situations involving uncertainties as to the valuation of the portfolio positions could have a significant impact on the NAV and consequently may affect the amount of fees paid to the Company Trading Adviser. However, in the absence of bad faith or manifest error, valuation computations by the administrator will be conclusive and binding.

Currency Risks. The Company's NAV will be calculated in a specific currency including for purposes of withdrawals by the Company. Consequently, Members of the Company are subject to the risk of exchange rate fluctuations between the value of such specific currency and their native (if different) currency. Some of the Company's investments may be in a different currency to the Company's specific currency denominated instruments. This may subject the Company to currency valuation losses.

Effect of Substantial Withdrawals. Substantial withdrawals by members (including by the Issuer), within a short period of time could require the Company to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the Company's liquidity. The resulting reduction in the Company's assets could make it

more difficult to generate a positive rate of return or to recoup losses due to a reduced equity base. Substantial withdrawals might also cause the liquidation of the Company.

Compulsory Withdrawal. It is anticipated that under the terms of the offering memorandum of the Company, the Company Manager may, following consultation with a qualified person in its sole discretion, require any Member (including the Issuer) (or his assignee, if any) to withdraw all or a portion of such Member's interests in the Company. Such mandatory withdrawal may create adverse tax and/or economic consequences for the Issuer.

The Company may Terminate Before Members Achieve Their Investment Objectives. Unforeseen circumstances, including substantial losses or withdrawal of the Company Trading Adviser, could cause the Company to terminate prior to its stated termination date. Early termination of the Company could disrupt the Issuer's overall investment portfolio plan, resulting in the loss of all of its investment for the Series of Certificates.

Changes in Applicable Law. The Company must comply with various legal requirements, including requirements imposed by the securities laws and tax laws in various jurisdictions. In addition, laws relating to transactions in which the Company enters (such as, without limitations, the derivative transactions) may also be subject to change. Should any of such laws change, the legal requirements to which the Company may be subject could differ materially from current requirements and adversely impact the Company.

Economic Conditions. The success of any investment activity is affected by general economic conditions. Changes in economic conditions, including, for example, interest rates, inflation rates, industry conditions, competition, technological developments, political and diplomatic events and trends, tax laws and innumerable other factors, can substantially and adversely affect the business and prospects of the Company. None of these conditions will be within the control of the Company Trading Adviser or the Company Manager or the Issuer.

General Market Developments. The alternative investment industry as a whole has been in the news recently, as critics have called for increased regulation of this industry. Several new regulations have been recently adopted and many other regulations are currently pending with the SEC (as defined below) and CFTC (as defined below) and more may follow. Other domestic and foreign regulatory bodies may also increase regulatory efforts. Any such action could impact the operations of the Company Trading Adviser and/or the Company.

Trading Risks

Counterparty Risk. The Company may be subject to risk of loss of its assets on deposit with a commodities broker, FX dealer or bank in the event of their bankruptcy or insolvency, or that of any broker through which the broker executes and clears transactions on behalf of the Company, or the bankruptcy or insolvency of an exchange or clearing house. In the case of any such bankruptcy or insolvency, the Company might recover only a pro-rata share of all property available for distribution to all of the counterparty's customers. Such amount may be less than the amounts owed to the Company.

Lack of Diversification. The Company is not required to maintain a diversified portfolio. Accordingly, the investment portfolio of the Company may be subject to more rapid changes in value than would be the case if the Company were required to maintain a wide diversification among companies, industries or type of investments.

Limitation on Hedging Techniques. The Company may in certain cases employ various hedging techniques to reduce the risk of investment positions. A substantial risk

remains, nonetheless, that such techniques will not always be available and when available, will not always be effective in limiting losses.

The Issuer and Other Members Will Not Be Aware of Changes to the Trading Program. Because of the proprietary nature of the Company Trading Adviser's trading program, Members (including the Issuer) will generally not be advised if adjustments are made to the trading program in order to accommodate additional assets under management or for any other reason.

Trading in Futures, Forwards and Options is Speculative and Volatile. The rapid fluctuations in the market prices of futures, forwards, and options make an investment in the Company volatile. Volatility is caused by, among other things: changes in supply and demand relationships; weather; agriculture, trade, fiscal, monetary and exchange control programs; domestic and foreign political and economic events and policies; and changes in interest rates. The Company Trading Adviser's trading methods may not take account of all of these factors. In addition, governments from time to time intervene, directly and by regulation, in certain markets, often with the intent to influence prices directly. The effects of governmental intervention may be particularly significant at certain times in the financial instrument and currency markets, and this intervention may cause these markets to move rapidly.

The Trading on Behalf of the Company Will Be Margined, Which Means that Sharp Declines in Prices Could Lead to Large Losses. Because the amount of margin funds necessary to be deposited with a futures clearing broker to enter into a futures, forward contract or option position is typically about 2% to 10% of the total value of the contract, the Company Trading Adviser may take positions on behalf of the Company with face values equal to several times the Company's net asset value. These low margin requirements provide a large amount of leverage. As a result of margining, even a small movement in the price of a contract can cause major losses. Any purchase or sale of a futures or forward contract or option position may result in losses that substantially exceed the amount invested. If severe short-term price declines occur, such declines could force the liquidation of open positions with large losses.

Exposure to Commodities Involves Certain Risks. Exposure to the commodities markets may subject the Company to greater volatility than investments in traditional securities. The value of commodity-linked derivative investments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or sectors affecting a particular industry or commodity, such as drought, floods, weather, embargoes, tariffs and international economic, political and regulatory developments.

Exposure to Currencies Involves Certain Risks. The Company's indirect and direct exposure to foreign currencies subjects the Company to the risk that those currencies will decline in value relative to the U.S. Dollar, or, in the case of short positions, that the U.S. Dollar will decline in value relative to the currency that the Company is short. Currency rates in foreign countries may fluctuate significantly over short periods of time for a number of reasons, including changes in interest rates and the imposition of currency controls or other political developments in the United States or abroad. In addition, the Company may incur transaction costs in connection with conversions between various currencies. Forward currency contracts and options may be utilized to hedge against currency fluctuations, but there can be no assurance that such hedging transactions, even if undertaken, will be effective.

Foreign Markets May Have Different Regulations than the Markets of the Investor's own Jurisdiction and Are Subject to Exchange Rate, Market Practices, and Political Risks. A substantial portion of the Company Trading Adviser's trades are expected to take place on markets or exchanges outside the jurisdiction of the investor. There is no limit to the amount of assets of the Company that may be committed to trading on foreign markets. Foreign trading involves risks including exchange rate exposure, possible governmental intervention, and possible lack of regulation which may differ from the jurisdiction of the investor. In addition, the Company Trading Adviser may not have the same access to certain positions on foreign exchanges as do

local traders, and the historical market data on which the Company Trading Adviser bases its strategies may not be as reliable or accessible as it is in the jurisdiction of the investor. Certain foreign exchanges may also be in a more or less developmental stage so that prior price histories may not be indicative of current price dynamics. The rights of traders or investors in the event of insolvency or bankruptcy of a market or broker in another jurisdiction may also be more limited than in the case of markets or brokers in the jurisdiction of the investor. Additionally, trading on U.S. exchanges is subject to regulation and oversight by the Commodity Futures Trading Commission (“CFTC”), including for example, minimum capital requirements for commodity brokers, regulation of trading practices on the exchanges, prohibitions against trading ahead of customer orders, prohibitions against filling orders off exchanges, prescribed risk disclosure statements, testing and licensing of industry sales personnel and other industry professionals, and record keeping requirements. Trading on non-U.S. exchanges is not regulated by the CFTC or any other U.S. governmental agency or instrumentality, and may be subject to regulations that are different or less rigorously enforced than those to which U.S. exchange trading is subject.

The Company’s Investment Could Be Illiquid. The markets for the instruments in which the Company invests could experience periods of illiquidity, which could prevent the prompt liquidation of positions and could subject it to substantial losses. The Company Trading Adviser may not always be able to liquidate its futures positions at the desired time or price. It is difficult to execute a trade at a specific price when there is a relatively small volume of buy and sell orders in a market. A market disruption, such as a foreign government taking political actions that disrupt the market in its currency or in a major export, can also make it difficult to liquidate a position. Alternatively, limits imposed by futures exchanges or other regulatory organisations, such as speculative position limits and daily price fluctuation limits, may contribute to a lack of liquidity with respect to some futures contracts.

The Company Trading Adviser’s Trading is Subject to Execution Risks. Although the Company Trading Adviser generally will purchase and sell actively traded contracts on behalf of the Company, orders may not be executed at or near the desired price, particularly in thinly traded markets, in markets that lack trading liquidity, or because of applicable “daily price fluctuation limits,” “speculative position limits” or market disruptions. If market illiquidity or disruptions occur, major losses could result.

Markets or Positions May Be Correlated and May Expose the Company to Significant Risk of Loss. Different markets traded or individual positions may be highly correlated to one another at times. Accordingly, a significant change in one such market or position may affect other such markets or positions. The Company Trading Adviser cannot always predict correlation. Correlation may expose the Company to significant risk of loss.

The Company Trading Adviser’s Positions May Be Concentrated From Time to Time, Which May Render the Company Susceptible to Larger Losses than if the Positions Were More Diversified. The Company Trading Adviser may from time to time cause the Company to hold a few, relatively large positions in relation to its assets. Consequently, a loss in any such position could result in a proportionately greater loss than if the Company’s assets had been spread among a wider number of instruments.

Turnover in the Company’s Portfolio May Be High, Which Could Result in Higher Brokerage Commissions and Transaction Fees and Expenses. The Company Trading Adviser may make certain trading decisions on the basis of short-term market considerations. The portfolio turnover rate may be substantial at times, either due to such decisions or to market conditions, and this could result in the Company incurring substantial brokerage commissions and other transaction fees and expenses.

Company Trading Adviser Risks

There Are Disadvantages to Making Trading Decisions Based on Technical Analysis. The Company Trading Adviser may base its trading decisions on trading strategies that use mathematical analyses of technical factors relating to past market

performance rather than fundamental analysis. The buy and sell signals generated by a technical, trend-following trading strategy are derived from a study of actual daily, weekly and monthly price fluctuations, volume variations and changes in open interest in the markets. The profitability of any technical, trend-following trading strategy depends upon the occurrence in the future of significant, sustained price moves in some of the markets traded. A danger for trend-following traders is whip-saw markets, that is, markets in which a potential price trend may start to develop but reverses before an actual trend is realised. A pattern of false starts may generate repeated entry and exit signals in technical systems, resulting in unprofitable transactions. In the past, there have been prolonged periods without sustained price moves. Presumably these periods will continue to occur. Periods without sustained price moves may produce substantial losses for trend-following trading strategies. Further, any factor that may lessen the prospect of these types of moves in the future, such as increased governmental control of, or participation in, the relevant markets, may reduce the prospect that any trend-following trading strategy will be profitable in the future.

Increased Competition from Other Systematic Traders Could Reduce the Company Trading Adviser's Profitability. There has been a dramatic increase in the amount of assets managed pursuant to trading systems like those that the Company Trading Adviser may employ. This means increased trading competition among a larger number of market participants for transactions at favourable prices, which could operate to the detriment of the Company by preventing the Company Trading Adviser from effecting transactions at the desired prices. It may become more difficult for the Company Trading Adviser to implement its trading strategies if other commodity trading advisers using technical systems are attempting to initiate or liquidate futures positions at the same time as the Company Trading Adviser. The more competition there is for the same positions, the more costly and harder they will be to acquire.

There Are Disadvantages to Making Trading Decisions Based on Fundamental Analysis. The Company Trading Adviser may base its decisions on trading strategies which utilise in whole or in part fundamental analysis of underlying market forces. Fundamental analysis attempts to examine factors external to the trading market which affect the supply and demand for a particular asset in order to predict future prices. Such analysis may not result in profitable trading because the Company Trading Adviser may not have knowledge of all factors affecting supply and demand or may incorrectly interpret the information it does have. Furthermore, prices may often be affected by unrelated or unexpected factors and fundamental analysis may not enable the Company Trading Adviser to determine whether its previous decisions were incorrect in sufficient time to avoid substantial losses. In addition, fundamental analysis assumes that financial markets are inefficient— *i.e.*, that asset prices do not always reflect all available information—which some market analysts dispute.

Discretionary Decision Making May Result in Missed Opportunities or Losses. Because the Company Trading Adviser's strategy may involve discretionary aspects, the Company Trading Adviser may occasionally use discretion in investing the assets of the Company. For example, the Company Trading Adviser may often use discretion in selecting contracts and markets to be followed. In exercising such discretion, the Company Trading Adviser may take positions opposite to those recommended by the Company Trading Adviser trading system or signals. Discretionary decision making may also result in the Company Trading Adviser failing to capitalise on certain price trends or making unprofitable trades in a situation where another trader relying solely on a systematic approach might not have done so. Furthermore, such use of discretion may not enable the Company to avoid losses, and in fact, such use of discretion may cause the Company to forego profits which it may have otherwise earned had such discretion not been used.

The Risk Management Approaches of the Company Trading Adviser May Not Be Fully Effective, and the Company May Incur Losses. The mechanisms employed by the Company Trading Adviser to monitor and manage the risks associated with its trading activities on behalf of the Company may not succeed in mitigating all identified risks. Even if the Company Trading Adviser's risk management approaches are fully effective, it cannot anticipate all risks that it may face. If the Company Trading Adviser

fails to identify and adequately monitor and manage all of the risks associated with its trading activities, the Company may suffer losses.

Increases in Assets Under Management of the Company Trading Adviser Could Lead to Diminished Returns. The Company Trading Adviser may or may not intend to limit the amount of additional equity that it may manage, and therefore, if it does not intend to limit itself, it may continue to seek major new accounts. However, in general, the rates of returns achieved by the Company Trading Adviser may diminish as the assets under its management increase. This can occur for many reasons, including the inability of the Company Trading Adviser to execute larger position sizes at desired prices and because of the need to adjust the Company Trading Adviser's trading program to avoid exceeding speculative position limits. These limits are established by the CFTC and the exchanges on the number of speculative futures and options contracts in a commodity that one trader may own or control.

The Company Relies on its Company Trading Adviser for Success, and if the Company Trading Adviser's Trading is Unsuccessful, the Company May Incur Losses. The Company Trading Adviser will make the commodity trading decisions for the Company. Therefore, the success of the Company depends on the judgment and ability of the Company Trading Adviser. The Company Trading Adviser's trading for the Company may not prove successful under all or any market conditions. If the Company Trading Adviser's trading is unsuccessful, the Company may incur losses.

The Company Places Significant Reliance on the Company Trading Adviser and its Key Personnel; the Loss of Such Personnel Could Adversely Affect the Company. The Company relies on the Company Trading Adviser to achieve trading profits, entrusting the Company Trading Adviser with the responsibility for, and discretion over, the investment of the Company's assets. The Company Trading Adviser, in turn, is dependent on the services of a limited number of persons to develop and refine its trading approaches and strategies and execute the trading transactions. The loss of the services of any of the Company Trading Adviser's principals or key employees, or the failure of those principals or key employees to function effectively as a team, may have an adverse effect on that Company Trading Adviser's ability to manage its trading activities successfully, or may cause the Company Trading Adviser to cease operations entirely. This, in turn, could negatively impact the Company's performance.

The Success of the Company Depends on the Ability of the Personnel of its Company Trading Adviser to Accurately Implement its Trading Systems, and Any Failure to Do So Could Subject the Company to Losses. The Company Trading Adviser's computerised trading systems rely on the Company Trading Adviser's personnel to accurately process the systems' outputs and execute the transactions called for by the systems. In addition, the Company Trading Adviser relies on its staff to properly operate and maintain its computer and communications systems upon which the trading systems rely. Execution and operation of the Company Trading Adviser's systems is therefore subject to human errors. Any failure, inaccuracy or delay in implementing any of the Company Trading Adviser's systems and executing transactions could impair its ability to identify profit opportunities and benefit from them. It could also result in decisions to undertake transactions based on inaccurate or incomplete information. This could cause substantial losses.

The Company Trading Adviser will Engage in Other Activities, Including Managing Other Customer Accounts. The Company Trading Adviser and its principals manage and may manage additional customer accounts (including other investment pools) in the future. Trading orders for such accounts similar to those of the Company may occur contemporaneously. The performance of the Company's investments could be adversely affected by the manner in which particular orders are entered by the Company Trading Adviser and its principals for all such accounts.

The Interbank Forex and Over-the-Counter Markets

Trading Risks. In Interbank Forex and over-the-counter market trading, a bank, financial institution or dealer generally acts as principal in a transaction and includes its anticipated profit (the spread between the bid and the asked price) in the prices it quotes for the transaction. Such transactions are not of standard size and are subject to individual negotiation between the parties involved. The market is not a formally organised exchange but is an informal network of trading relationships among world participants, which include primarily central banks, major commercial banks, investment banks, securities brokers and dealers, pension funds, insurance companies, multinational corporations and sophisticated individuals. Virtually all major currencies are traded. Unlike certain commercial users of the market, the Company will engage in trading in the market for speculative purposes with the aim of making a profit from the relative movements of the currencies that are the subject of the transactions. The Company might buy and sell two or more different currencies at or about the same time in order to take advantage of potential profits in the price relationship between two currencies.

Forward Trading. Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardised; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and “cash” trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain currencies or commodities or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in any market in which the Company Trading Adviser is a participant due to unusually high trading volume, political intervention or other factors. The imposition of controls by governmental authorities might also limit such forward (and futures) trading to less than that which the Company Trading Adviser would otherwise recommend, to the possible detriment of the Company. Market illiquidity or disruption could result in major losses to the Company.

Absence of Regulations. The Interbank Forex and over-the-counter markets and participation in these markets are not currently subject to regulation by any government or by any international agency.

Margin Deposit. Because currencies are customarily bought and sold on margin which ranges upward from less than 3% of the value of the position being traded, price fluctuations in currency markets may create profits and losses which are greater than are customary in other forms of investment that do not utilise margin. Margin is the amount of funds that must be deposited by the Company with its dealer in order to secure its positions in which the Company transacts. The margin maintained must be marked-to-market daily, requiring additional deposits if the related position reflects a loss, which reduces the equity on deposit below the required maintenance level. Conversely, if the position reflects a gain above the required maintenance level, such gain may be released to the Company’s account at the dealer. Dealers may, at their discretion, increase their minimum margin requirements. The Company is liable for margin calls only to the extent of its assets, a large portion of which will be continually maintained with clearing brokers.

Leverage. The low margin deposits normally required in currency trading permit a high degree of leverage. Accordingly, a relatively small price movement in a currency may result in a substantial loss to a Member (including the Issuer), and like other leveraged investments, any trade may result in losses in excess of the amount invested by the Company. The liability of Members (including the Issuer) is, however, limited to the value of their investment in the Company.

Volatility of Currency Prices. Price movements of currencies are influenced, among other things, by changing supply and demand relationships; governmental, trade, fiscal, monetary and exchange control programs and policies; national and international political and economic events; and changes in interest rates. Governments from time to time intervene in certain markets in order to influence prices directly.

The Futures Market

Futures Contracts. Futures contracts are traded on organised exchanges and call for the future delivery of various agricultural and nonagricultural commodities, currencies or financial instruments at a specified time and place. These contractual obligations, depending on whether one is a buyer or a seller, may be satisfied either by taking or making physical delivery of an approved grade of the particular underlying asset (or, in the case of some contracts, by cash settlement) or by making an offsetting sale or purchase of an equivalent futures contracts on the same (or a linked) exchange prior to the designated date of delivery.

Volatility of Futures Markets. Futures prices have been subject to periods of volatility in the past and such periods may recur. Price movements of futures contracts are caused by many unpredictable factors.

Possible Lack of Liquidity. The daily price fluctuation limit is the maximum permitted fluctuation in the price of a futures contract that can occur on an exchange on a given day in relation to the previous day's settlement price. Such limits are imposed by the exchanges. The exchanges prohibit the execution of trades at prices beyond the daily limit. Once the price of a futures contract has increased or decreased by an amount equal to the daily limit, positions in the contract generally cannot be taken or liquidated unless traders are willing to effect trades at or within the limit. Futures prices have occasionally moved the daily limit for several consecutive days with little or no trading. Similar occurrences could prevent the Company from promptly liquidating unfavourable positions and subject it to substantial losses. Any factor which would make it more difficult to execute timely trades, such as significant lessening of liquidity in the futures market, would also be detrimental. The regulators and the exchanges have authority in market emergencies to suspend or otherwise limit trading.

Margin Deposit. The initial margin deposit is the minimum amount of funds that must be deposited by an investor with a broker in order to initiate trading or to maintain the investor's open positions. The maintenance level is the amount to which an investor's account may decline before he must deposit additional margin (maintenance margin). In futures trading, the margin deposit represents a security deposit to help assure the investor's performance of his futures contracts; it does not represent payment of any portion of the purchase price of the underlying assets. Futures contracts are customarily bought and sold on margin that generally ranges from less than two to approximately fifteen percent of the value of the contract being traded. Due to this low margin deposit, price fluctuations occurring in futures markets may create profits and losses that are greater than are customary in other forms of investment or speculation relative to the level of investment.

Leverage. A futures position can be established with the payment of a deposit (margin) that is small relative to the total value of the futures contract. Thus, a small movement in the price of the contract can result in a substantial loss relative to the margin deposit. For example, if the margin deposit were five per cent (5), a five per cent (5) adverse movement in the value of a futures contract would generate a loss equal to the margin deposit. The Company could lose a substantial portion of its capital because of this leverage.

Speculative Nature of Futures Trading. Trading futures contracts is speculative, volatile and highly leveraged. Futures contracts, unlike many securities, do not pay any dividends or interest. Profits can be made in futures trading only by selling a contract at a higher price than that at which it was bought or by buying a contract at a lower price than that at which it was sold. Such prices are volatile and, in general, are influenced

by a number of external factors, including, but not limited to, changing supply and demand relationships, agricultural, trade, fiscal, monetary and exchange control programs and policies of governments, national and/or international political and economic events and policies; and changes in interest rates.

Possible Effects of Speculative Limits. Regulators and the exchanges may establish limits on the maximum net long or net short futures positions which any person or group of persons acting together may hold or control. Any futures owned or managed by the Company Trading Adviser, including the Company's account, must be combined for position limit purposes. It is possible that trading decisions may have to be modified and positions held by the Company may have to be liquidated in order to avoid exceeding such limits.

Other Regulatory Risks

The Elimination of the Company Manager's Commodity Pool Operator Exemption Effective December 31, 2012 or the Deregistration of the Company Trading Adviser Could Disrupt Operations. The Company Manager is currently exempt from registration as a commodity pool operator under Rule 4.13(a)(4) under the Commodity Exchange Act, and the Company Trading Adviser is a registered commodity trading adviser. On February 9, 2012, the CFTC rescinded the exemption from registration as a commodity pool operator found in Rule 4.13(a)(4) under the Commodity Exchange Act, effective December 31, 2012. The Company Manager currently relies on this exemption and, as a result of the CFTC's action, will be required to register as a commodity pool operator as of December 31, 2012, or withdraw as manager of the Company. The members would then determine whether to select a replacement Company Manager or to dissolve the Company. If the CFTC were to terminate, suspend, revoke or not renew the registration of Company Trading Adviser, the Company Manager would terminate Company Trading Adviser's agreement with the Company. The Company Manager could reallocate the Company's assets managed by Company Trading Adviser to new adviser(s) or terminate the Company. No action is currently pending or threatened against the Company Manager or Company Trading Adviser.

Regulatory Changes Could Restrict the Company's Operations. Federal agencies including the SEC, the CFTC and the Federal Reserve Bank regulate certain activities of the Company, the Company Manager and Company Trading Adviser. Regulatory changes could adversely affect the Company by restricting its trading activities and/or increasing the costs or taxes to which the members are subject. The Dodd-Frank Act, among other things, grants the CFTC and SEC broad rulemaking authority to implement various provisions of the Dodd-Frank Act including comprehensive regulation of the over-the-counter derivatives markets. The implementation of the Dodd-Frank Act could adversely affect the Company by increasing transaction and/or regulatory compliance costs. In addition, greater regulatory scrutiny may increase the Company's and the Company Manager's exposure to potential liabilities. Increased regulatory oversight can also impose administrative burdens on the Company Manager, including, without limitation, responding to investigations and implementing new policies and procedures. As a result, the Company Manager's time, attention and resources may be diverted from portfolio management activities.

Failure of the Company's Commodities Broker may Disrupt the Company's Operations. Commodity Exchange Act Section 4d(a)(2) requires a futures commission merchant to segregate funds deposited in a customer's commodity futures account. If a futures commission merchant fails to properly segregate customer funds, the Company may be subject to a risk of loss of its funds on deposit in the event of a futures commission merchant's bankruptcy or insolvency. In addition, under certain circumstances, such as the inability of another customer of the futures commission merchant or its own inability to satisfy substantial deficiencies in such other customer's account, the Company may be subject to a risk of loss of its funds on deposit even if such funds are properly segregated. In the case of any such bankruptcy or customer

loss, the Company might recover only a pro-rata portion of the property available for distribution to all of the commodities broker's customers. If no property is available for distribution, the Company would not recover any of its assets.

Regulation of the Futures Markets is Extensive and Constantly Changing; Future Regulatory Developments are Impossible to Predict, but May Significantly and Adversely Affect the Company. The futures, options on futures and security futures markets are subject to comprehensive statutes, regulations and margin requirements. With respect to traditional futures exchanges, the CFTC and the exchanges are authorised to take extraordinary actions in the event of a market emergency, including, for example, the retroactive implementation of speculative position limits or higher margin requirements, the establishment of daily limits and the suspension of trading. The regulation of futures transactions in the United States is a rapidly changing area of law and is subject to ongoing modification by governmental and judicial action. In addition, various national governments have expressed concern regarding the disruptive effects of speculative trading in the currency markets and the need to regulate the derivatives markets in general. The effect of any future regulatory change is impossible to predict, but could be substantial and adverse.

The Company is Subject to Speculative Position Limits. The CFTC and U.S. futures exchanges have established speculative position limits (referred to as position limits) on the maximum position in certain futures interests contracts that may be held or controlled by any one person or group. Therefore, the Company Trading Adviser may have to reduce the size of its position in one or more futures contracts in order to avoid exceeding such position limits, which could adversely affect the profitability of the Company. The CFTC or the futures exchange may amend or adjust these position limits or the interpretation of how such limits are applied, which could adversely affect the profitability of the Company.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in the offering of Shares in the Company.

TERMS AND CONDITIONS OF THE CERTIFICATES

*The following is the text of the terms and conditions which, subject to completion and minor amendment, will be applicable to the Certificates of a Series in definitive form and the Custodian Certificates. Either (i) the full text of these terms and conditions together with the relevant provisions of the final terms for such Series (the “**Final Terms**”) or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions) shall be endorsed on the Definitive Certificates relating to the Certificates. All capitalised terms that are not defined in these Conditions will have the meaning given to them in the Principal Trust Deed, and/or relevant Final Terms and will be endorsed on the Definitive Certificates. References to “Certificates” are to Certificates of one series of Certificates (each, a “**Series**”) only, not to all Certificates that may be issued under the Programme.*

The Certificates, in the case of unsecured Certificates (“**Unsecured Certificates**”), are constituted by and, in the case of secured Certificates (“**Secured Certificates**”), are constituted and secured by a supplemental trust deed (the “**Supplemental Trust Deed**”) dated the date of issue of the Certificates (the “**Issue Date**”) between, inter alia, Weser Capital Limited (the “**Issuer**”) and BNY Mellon Corporate Trustee Services Limited as note trustee for the Certificateholders (the “**Note Trustee**”, which expression shall include all persons for the time being the note trustee or note trustees under the Principal Trust Deed (as defined below)) and, solely in the case of Secured Certificates, as security trustee for the Secured Certificateholders (the “**Security Trustee**”, which expression shall include all persons for the time being the security trustee or security trustees under the Principal Trust Deed). The Supplemental Trust Deed is supplemental to a trust deed (the “**Principal Trust Deed**”, which expression shall include any amendments or supplements thereto) dated 29 June 2012 as amended, supplemented and/or amended and restated from time to time between the Issuer, the Note Trustee and the Security Trustee (together with the Supplemental Trust Deed, the “**Trust Deed**”).

The Secured Certificates (other than the Secured Series Custodian Certificates), are secured on certain assets of the Issuer, as described in Condition 4(b), pursuant to the Trust Deed.

Payments under the Certificates will be made pursuant to an agency agreement dated the Issue Date made between the Issuer, the Note Trustee, Dominion Fund Administrators Limited, in its capacity as calculation agent (the “**Calculation Agent**”), Morgan Stanley & Co. International plc as certificate custodian (the “**Certificate Custodian**”), The Bank of New York Mellon, London Branch, having its registered office at One Canada Square, London, E14 5AL, in its capacity as paying agent (the “**Paying Agent**”) and as transfer agent (the “**Transfer Agent**”) and The Bank of New York Mellon (Luxembourg) S.A. as the registrar (the “**Registrar**”) (the “**Agency Agreement**”).

Statements in these terms and conditions (the “**Conditions**”) are subject to the detailed provisions of the Trust Deed and the Agency Agreement, copies of which are available for inspection at the offices of the Paying Agent. The Trust Deed includes the forms of the Certificates. Certificateholders are entitled to the benefit of, are bound by and are deemed to have notice of (i) all the provisions contained in the Trust Deed (save, in the case of the Unsecured Certificateholders, certain provisions of the Trust Deed will not apply including, *inter alia*, provisions relating to the Security and the Security Trustee) and (ii) those provisions applicable to them of the Agency Agreement.

1. DEFINITIONS

“**Agents**” means the Paying Agent, the Registrar, the Transfer Agent, the Calculation Agent and the Certificate Custodian;

“**Business Day**” means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments and are open for

general business (including dealing in foreign exchange and foreign currency deposits) in London, Dublin and Jersey, Channel Islands;

“Certificate” means a certificate issued in registered form for a Series pursuant to the Trust Deed;

“Certificate Buy-back Amount” means, for each Certificate being repurchased by the Issuer, an amount determined by the Calculation Agent, in its sole discretion, equal to the Net Realised Share NAV for each Share realised to effect the repurchase of such Certificates;

“Certificate Price_t” means, on any date on which such price is to be determined, an amount per Certificate equal to the Share NAV;

“Certificate Redemption Amount” means, for each Certificate being redeemed, an amount determined by the Calculation Agent, in its sole discretion, equal to the Net Realised Share NAV for each Share realised to effect the redemption of such Certificate;

“Certificateholder” or **“holder”** means (in relation to a Certificate) the holder of a Certificate or Certificates and shall be the person whose name is entered in the Register as the holder of a Certificate;

“Company” means any company into which the Issuer invests the proceeds of issue of the Certificates or of resale of the Custodian Certificates, the details of which are set out in the Final Terms for each Series;

“Company Administrator” means the person specified in the Final Terms;

“Company Business Day” means a day (other than a Saturday or a Sunday or other day when banks and/or securities exchanges in the City of New York, New York, or the City of Wilmington, Delaware, are authorised or obligated by law to close);

“Company Commodity Broker” means the person specified in the Final Terms;

“Company Investment Subscription Date” means in relation to a request for sale of further Certificates to the Dealer, the second Company Business Day following the date on which such request has been received by the Issuer;

“Company Manager” means the person specified in the Final Terms;

“Company Trading Adviser” means the person specified in the Final Terms;

“Corporate Administrator” means Dominion Corporate Services Limited, a company incorporated in Jersey with registered number 71285 and having its registered office at 47 Esplanade, St Helier, Jersey JE1 0BD;

“Custodian Certificates” means such of the Certificates repurchased from time to time by the Issuer and held on its behalf by the Certificate Custodian;

“Dealer” means Morgan Stanley & Co. International plc;

“Dealer Agreement” means the dealer agreement dated the Issue Date and made between the Issuer and the Dealer;

“Expenses Agreement” means the agreement dated 29 June 2012 between the Issuer and the Dealer;

Final Terms means the final terms for this Series as annexed to the Supplemental Trust Deed;

"Illegality" means the adoption of, or any change in, any applicable law after the Issue Date, or the promulgation of, or any change in, the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law after the Issue Date, as a result of which it becomes unlawful for the Issuer, the Company Manager, the Company Trading Adviser, the Company Commodity Broker, the Company Administrator, the Company, the Dealer, the Paying Agent, the Certificate Custodian, the Calculation Agent, the Corporate Administrator, the Note Trustee or the Security Trustee (if applicable) to comply with their obligations under the Relevant Agreements;

"Maturity Date" shall be for each Series the date set out in the relevant Final Terms;

"Net Realised Share NAV" means, for each Certificate being repurchased by the Issuer or redeemed, an amount determined by the Calculation Agent, in its sole discretion, equal to the Realised Share NAV minus the Transaction Fees (if any);

"Number of Certificates" means the total number of Certificates (including for these purposes Custodian Certificates) outstanding on any date on which such number is to be determined by the Calculation Agent in its sole discretion;

"Realised Share NAV" means on any date, for each Share, an amount determined by the Calculation Agent, in its sole discretion, equal to (a) the liquidated proceeds of the Collateral or the Underlying Assets, as the case may be, received by the Issuer in respect of the Shares realised on such date for such purpose, divided by (b) either (i) in respect of Certificates being repurchased on any date under a buy-back, the number of Certificates being repurchased on such date or (ii) in respect of the final redemption of all Certificates, the number of outstanding Certificates;

"Relevant Agreement" means the Trust Deed, the Agency Agreement, the Dealer Agreement, the Expenses Agreement and such other agreements specified in the Final Terms;

"Relevant Date" means, in respect of a Certificate, the date on which payment in respect thereof first becomes due or (if the full amount of the moneys payable in respect of all the Certificates due on or before that date has not been duly received by the Paying Agent or, if applicable, the Note Trustee on or before that date) the date on which notice that the full amount of such moneys has been received is duly given to the Certificateholders in accordance with Condition 17;

"Requested Fungible Notional" means, in relation to a Company Investment Subscription Date, the aggregate value of the Certificates which the Dealer wishes to purchase per investor on a Company Investment Subscription Date;

"Secured Certificateholders" means the Certificateholders of Secured Certificates;

"Secured Series" means a Series of Secured Certificates;

"Secured Series Custodian Certificates" means the Custodian Certificates in respect of Secured Certificates;

"Share NAV" means the most recently available published net asset value of the Shares determined by or on behalf of the Company;

"Shares" means the shares or interests in a company or fund, as specified in the Final Terms, acquired by the Issuer from the net proceeds of sale of the Certificates of a Series and any Custodian Certificates;

"Subscription Conditions Precedent" means the conditions precedent to the issue of the Certificates and purchase of Custodian Certificates on a Company Investment Subscription Date as set out in the Dealer Agreement;

“Tax Event” means that the Issuer is or would be required by law, or is expected at any time, to withhold or account for any tax on any payment to be made by it on or in connection with the Certificates or would suffer, or expects to at any time suffer, or is expected at any time to suffer, tax in respect of its income or its investments or receivables;

“Transaction Fees” means a percentage per annum (as specified in the Final Terms) of the Certificate Price which is calculated and accrued on a daily basis. The Transaction Fees will be deducted by the Calculation Agent from the Certificate Buyback Amount and/or the Certificate Redemption Amount, as applicable, upon a voluntary repurchase and/or final redemption, as applicable, and be paid to the Dealer as soon as reasonably practicable thereafter;

“Unsecured Certificateholders” means the Certificateholders of Unsecured Certificates;

“Unsecured Series” means a Series of Unsecured Certificates; and

“Unsecured Series Custodian Certificates” means the Custodian Certificates in respect of Unsecured Certificates.

2. FORM, DENOMINATION AND TITLE

The Certificates are issued in Series (each a **“Series”**) in registered form, serially numbered, in denominations of US\$100 each. The minimum value of Certificates that can be subscribed for by an investor is US\$150,000.

Each investor will subscribe for 1,500 Certificates or more on the issue date of the Certificates. An existing Certificateholder may subsequently subscribe for any number of additional certificates. If a new investor were to purchase Certificates on a date other than the issue date for such certificates from the Issuer or through the secondary market, then such investor will have to subscribe for no less than 1,500 Certificates but if the purchase price of each Certificate on such purchase date is less than USD100 per Certificate, then such investor will have to purchase a sufficient number of Certificates so that the purchase price payable therefor will be US\$150,000 or more.

The Certificates are not issuable in bearer form.

The Certificates are represented by registered definitive certificates (**“Definitive Certificates”**), serially numbered, each Definitive Certificate representing a holding of one or more Certificates by the same holder.

Title to the Certificates shall pass by registration in the register (the **“Register”**) that the Issuer shall procure to be kept by the Registrar in accordance with the Agency Agreement.

Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Certificate shall be deemed to be and may be treated by the Issuer, the Note Trustee, the Security Trustee, if applicable, and the Paying Agent as the absolute owner of such Certificate for the purpose of receiving payment thereon or on account thereof and for all other purposes, whether or not such Certificate shall be overdue and notwithstanding any notice of ownership, theft or loss thereof or any writing thereon made by anyone.

3. TRANSFERS OF CERTIFICATES

(a) Transfer of Certificates

Provided that the minimum value of Certificates transferred by a Certificateholder is US\$150,000 and such Certificateholder does not hold Certificates with an aggregate value of less than US\$150,000 following such

transfer, Certificates may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Definitive Certificate representing such Certificate to be transferred, together with the form of transfer endorsed on such Definitive Certificate (or another form of transfer substantially in the same form and containing the same representations and certificates (if any), unless otherwise agreed by the Issuer) duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Certificates represented by one Definitive Certificate, a new Definitive Certificate shall be issued to the transferee in respect of the part transferred and a further new Definitive Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Certificates and entries on the Register will be made in accordance with the detailed regulations concerning transfers of Certificates scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar. A copy of the current regulations will be made available by the Registrar to any Certificateholder upon request.

The Registrar shall as soon as practicable inform the Issuer on any amendment made to the Register.

(b) Exercise of a partial repurchase of Certificates

In the case of the Issuer agreeing to a partial repurchase of a holding of Certificates represented by a single Definitive Certificate, a new Definitive Certificate shall be issued to the holder to reflect the balance of the holding not repurchased. New Definitive Certificates shall only be issued against surrender of the existing Definitive Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Certificates to a person who is already a holder of Certificates, a new Definitive Certificate representing the enlarged holding shall only be issued against surrender of the Definitive Certificate representing the existing holding.

(c) Delivery of new Definitive Certificates

Each new Definitive Certificate to be issued pursuant to Conditions 3(a) or (b) shall be available for delivery within five business days of receipt of the form of transfer or repurchase request and/or surrender of the Definitive Certificate. Delivery of the new Definitive Certificates shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer, repurchase request or Definitive Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer, repurchase request or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Definitive Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 3(c) "business day" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar.

(d) Exchange free of charge

Exchange and transfer of Definitive Certificates on registration, transfer or partial repurchase shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it.

(e) Closed periods

No Certificateholder may require the transfer of a Certificate to be registered for one or more Certificates (i) during the period of 15 days ending on the due date for redemption of that Certificate or (ii) after any such Certificate has been called for repurchase or redemption.

4. STATUS, SECURITY AND ASSETS OF THE ISSUER

(a) Status

The Certificates constitute limited recourse obligations of the Issuer and are secured or unsecured (as specified in the Final Terms), ranking *pari passu*, without any preference among themselves, (which, in the case of Secured Certificates, are secured in the manner described in this Condition 4) and recourse in respect of which is limited as described in Condition 13.

(b) Mortgaged Property

If it is stated in the Final Terms that the Certificates are Secured Certificates then, unless otherwise specified in the Supplemental Trust Deed, the obligations of the Issuer to the Note Trustee and the Secured Certificateholders under the Trust Deed and the Secured Certificates are secured by the following charges and/or assignments (the “**Security**”) granted in favour of the Security Trustee pursuant to the Trust Deed and subject to the provisions of this Condition 4:

- (i) a first fixed charge over, and/or assignment of, (A) the assets and/or other property of the Issuer specified as such in the Supplemental Trust Deed (the “**Collateral**”), (B) all proceeds of, income from and sums arising from the Collateral, (C) all rights attaching to or relating to the Collateral including without limitation any right to delivery of such securities or to an equivalent number or nominal value thereof which arises in connection with any such assets being held in a clearing system or through a financial intermediary and (D) all assets and property hereafter belonging to the Issuer and deriving from such assets or the rights attaching thereto;
- (ii) an assignment by way of first fixed security of the Issuer’s rights, title and interest under the Agency Agreement, to the extent that such rights relate to sums held to meet payments due in respect of the Certificates, and a first fixed charge over all sums held by the Paying Agent to meet payments due in respect of the Certificates or by the Issuer in relation to the Collateral; and
- (iii) an assignment by way of first fixed security of the Issuer’s rights, title and interest under any agreement by which the Issuer purchases the Collateral.

The assets described in (i), (ii) and (iii) above are together referred to herein as the “**Mortgaged Property**”.

Cash flows generated by the Mortgaged Property will be utilised by the Issuer in making payments due in respect of the Secured Certificates.

(c) Unsecured Series Property

If it is stated in the Final Terms that the Certificates are Unsecured Certificates then, unless otherwise specified in the Supplemental Trust Deed, the obligations of the Issuer to the Note Trustee and the Unsecured Certificateholders and the Unsecured Certificates are not secured and instead the Unsecured Certificates

will rely for their payment on *inter alia* and, in the case of (iv) below have the benefit of, the contractual rights of the Issuer in respect of:

- (i) (A) the assets and/or other property of the Issuer specified as such in the Trust Deed (the “**Underlying Assets**”), (B) all proceeds of, income from and sums arising from the Underlying Assets, (C) all rights attaching to or relating to the Underlying Assets including without limitation any right to delivery of such securities or to an equivalent number or nominal value thereof which arises in connection with any such assets being held in a clearing system or through a financial intermediary and (D) all assets and property hereafter belonging to the Issuer and deriving from such assets or the rights attaching thereto;
- (ii) the Issuer’s rights, title and interest under the Agency Agreement, to the extent that such rights relate to sums held to meet payments due in respect of the Certificates, and all sums held by the Paying Agent to meet payments due in respect of the Certificates or by the Issuer in relation to the Underlying Assets;
- (iii) the Issuer’s rights, title and interest under any agreement by which the Issuer purchases the Underlying Assets; and
- (iv) the Issuer’s rights, title and interest under the terms and conditions of other certificates of other series which limit the recourse of the certificateholders of such other series.

The assets described in (i), (ii), (iii) and (iv) above are together referred to herein as the “**Unsecured Series Property**”.

Cash flows generated by the Unsecured Series Property will be utilised by the Issuer in making payments due in respect of the Certificates though no security will be taken over any such Unsecured Series Property.

(d) **Balancing Amounts**

Following the sale of Certificates to the Dealer for on sale to Certificateholders and the determination by the Calculation Agent of the Balancing Amounts (if any), any Balancing Amounts payable to the Dealer will be retained by the Issuer.

(e) **Custodian Certificates**

On the Issue Date, the Issuer will repurchase the number of Certificates stated in the Final Terms from the Dealer at their issue price. The Certificates so repurchased by the Issuer will be held by the Certificate Custodian on behalf of the Issuer on or about the date in which they are repurchased. Custodian Certificates carry no voting rights, do not bear interest and no amount of interest or principal is payable thereon and are not secured by any property.

(f) **Conditions Precedent to sale of Certificates after the Issue Date**

On any Business Day after the Issue Date of a Series the Issuer may sell, via the Dealer, to existing or new Certificateholders further Certificates in such Series on the next Company Investment Subscription Date (by transferring Custodian Certificates which upon transfer will become Certificates with all the rights that the other Certificates have), subject to the following conditions and provided that:

- (1) the Company continues to accept new subscription requests for the amount of Shares which may be purchased using the proceeds of sale of such Custodian Certificates;
- (2) the Calculation Agent has confirmed that the Issuer is expected on the next Company Investment Subscription Date to have a sufficient number of Custodian Certificates available for purchase to meet each individual Certificateholder's request;
- (3) the Subscription Conditions Precedent have been satisfied; and
- (4) the Requested Fungible Notional is equal to or greater than US\$150,000 (or such other greater amount as may be agreed between the Calculation Agent and the Dealer)

On a Business Day on which the Dealer has requested the Sale of Custodian Certificates, the Issuer will direct the Certificate Custodian to sell to the Dealer for on-sale to the existing or new Certificateholders and the Dealer will agree to purchase on the following Company Investment Subscription Date such number of Custodian Certificates as the Calculation Agent in its sole discretion may determine following publication of the Share NAV on the relevant Company Investment Subscription Date, and the Dealer will pay to the Certificate Custodian no later than 2pm on the date falling two Company Business Days prior to such Company Investment Subscription Date an amount equal to the Requested Fungible Notional and the Certificate Custodian will remit such amount promptly to the Company on behalf of the Issuer.

The Custodian Certificates being sold will be sold to the Dealer at the Certificate Price_t as of the relevant Company Investment Subscription Date and will cease to be Custodian Certificates as of such date.

The total number of Custodian Certificates sold to the Dealer as of any Company Investment Subscription Date will be equal to the number of Shares that have been subscribed for by the Issuer on such date, as determined by the Company Administrator (such number, the "**Additional Certificate Number**").

If the product of the Additional Certificate Number and Certificate Price_t as of the relevant Company Investment Subscription Date is less than an amount in US dollars equivalent of the Requested Fungible Notional (such difference, a "**Balancing Amount**"), then any Balancing Amount due to the Dealer on behalf of the Certificateholders shall be retained by the Issuer.

(g) **Enforcement of the Security**

If the Certificates are Secured Certificates (other than the Secured Series Custodian Certificates), the Security will become enforceable upon the Note Trustee giving an Enforcement Notice (as defined in Condition 12) to the Issuer and the Security Trustee. If the Security has become enforceable, the Security Trustee shall enforce the Security if directed to do so in writing by the Note Trustee, as directed in writing by the Certificateholders holding one-quarter of the aggregate principal amount of the Certificates then outstanding or as directed by an Extraordinary Resolution (as defined in the Trust Deed) of the holders of the Certificates, subject to the Note Trustee and the Security Trustee having been indemnified and/or secured and/or prefunded to their satisfaction. To the extent that the Note Trustee and the Security Trustee act in accordance with the directions of the Certificateholders provided as described above, neither the Note Trustee nor the Security Trustee shall have any obligation to take the interests of any other party into account or to follow any direction given by any other party and shall have no liability to any person for acting on such instructions.

Upon enforcement of the Security, the Custodian Certificates will be cancelled and no payment thereon will be due.

(h) **Application of proceeds**

(i) **Enforcement, Mandatory Redemption, Acceleration**

On the occurrence of a Mandatory Redemption Event pursuant to Condition 7(b), and on enforcement of the Security (solely in the case of Secured Certificates) and/or acceleration of the Certificates following the occurrence of an Event of Default, moneys available for distribution shall be applied in or towards satisfaction of the following amounts in the following order of priority:

- (1) first, in payment or satisfaction of the fees, costs, charges, expenses and liabilities incurred by the Note Trustee and, in the case of the Secured Certificates only, the Security Trustee or any receiver in preparing and executing the trusts in the Trust Deed in relation to the Certificates and in carrying out their functions under the Trust Deed (including any taxes required to be paid, (solely in the case of Secured Certificates) the costs of realising any security, and the Note Trustee's and/or the Security Trustee's remuneration) to the extent not paid pursuant to the Expenses Agreement;
- (2) secondly, to pay the fees, costs, charges, expenses and liabilities incurred by the Agents in carrying out their functions under the Agency Agreement to the extent not paid pursuant to the Expenses Agreement;
- (3) thirdly, rateably in meeting the claims (if any) of the Certificateholders. If the moneys received are not enough to pay such amounts in full, such amounts shall be applied *pro rata* on the basis of the amount due to each party entitled to such payment;
- (4) fourthly, in payment of the balance (if any) to the Issuer.

(ii) **Early repurchase**

On an early repurchase of the Certificates pursuant to Condition 7(c), the Issuer will repurchase each certificate at the Certificate Buy-Back Amount within two Company Business Days of the Purchase Date or such other date set out in Condition (7(c)).

(i) **Shortfall after application of proceeds**

If the net proceeds of (i) in the case of Secured Certificates, the Security being enforced and liquidated in accordance with the Trust Deed or (ii) in the case of Unsecured Certificates, the liquidation of the Unsecured Series Property are not sufficient, after payment of the claims (if any) ranking in priority to the Certificates, to cover all payments due in respect of the Certificates, the obligations of the Issuer in respect of the Certificates will be limited to such net proceeds and such net proceeds shall be applied in accordance with the Trust Deed and no other assets of the Issuer will be available for any further payments in respect of the Certificates. The right to receive any further payments in respect of any shortfall remaining after enforcement of the Security or liquidation of the Unsecured Series Property, as applicable, and application of the proceeds thereof in accordance with the Trust Deed shall be extinguished and failure to make any payment in respect of any shortfall shall in no circumstances constitute an Event of Default (as defined in Condition 12).

5. COVENANTS OF THE ISSUER

Save as provided in or contemplated by the Relevant Agreements or, with the prior written consent of the Note Trustee, the Issuer shall not, so long as any Certificate remains outstanding (as defined in the Trust Deed):

- (a) use, invest, sell, transfer, exchange, factor, assign, lease, hire out, lend or dispose of, or otherwise deal with, any of its property or assets or any interest therein or grant any option or right to acquire the same or agree or attempt or purport to do any of the same;
- (b) lend money;
- (c) purchase, own lease or otherwise acquire any real or heritable property (including office premises or like facilities);
- (d) (1) create or permit to exist upon or effect any mortgage, charge, pledge, lien or other encumbrance whether fixed, floating or otherwise, upon the whole or any part of its property or assets, present and future other than in any case as may arise by operation of law or (2) sign, file or register under applicable law any mortgage, debenture or the like which names the Issuer as debtor, or sign or enter into any security agreement authorising any secured party thereunder to file or register such mortgage, debenture or the like, except, in relation to (1) and (2) above in the case of the Secured Certificates, any such instrument solely securing the rights and preserving the security of the Security Trustee;
- (e) guarantee, act as surety for or become obligated for the debts of any other entity or person or enter into any agreement with any other entity or person whereby it agrees to satisfy the obligations of such entity or person or any other entity or person;
- (f) consolidate with or merge with or into any other person or convey or transfer its properties or assets substantially in their entirety to any person;
- (g) have, form or cause to be formed any subsidiary or have any employees or premises;
- (h) issue any further shares, or issue any warrants or options in respect of shares, or securities convertible into or exchangeable for shares;
- (i) issue any certificates in respect of which the recourse of the Certificateholders is not limited to Series Property (as defined in the relevant final terms);
- (j) declare or pay any dividend (other than a dividend of up to US\$750 per Series) or make any other distribution to the holders of any of its shares;
- (k) open, operate or have an interest in any bank account relating to the Certificates, save as may be contemplated by the Relevant Agreements;
- (l) permit the validity or effectiveness of any of the Relevant Agreements, or, in the case of Secured Certificates, the priority of the security interests created thereby, to be amended, terminated or discharged, or consent to any variation of, or exercise of any powers of consent or waiver pursuant to the terms of, the Trust Deed, these Conditions or any of the other Relevant Agreements, or permit any party to any of the Relevant Agreements or, in the case of Secured Certificates, any other person whose obligations form part of the Security to be released from such obligations, or, in the case of Secured Certificates, dispose of any interest in any of the Security;
- (m) approve, sanction or propose any amendment to its constitutional documents; or
- (n) engage in any activity that could cause it to become subject to any tax on its income in any jurisdiction (other than at a rate of zero per cent.).

In giving any consent to the foregoing in respect of Certificates, the Note Trustee may require the Issuer to make such modifications or additions to the provisions of any of the Relevant Agreements (and may itself consent thereto on behalf of the Certificateholders) or may impose such other conditions or requirements as the Note Trustee may deem expedient (in its absolute discretion) in the interests of the Certificateholders and may rely on any written confirmation from the Issuer as to the matters contained therein. Any modification or additions to the provisions of any of the Relevant Agreements shall be binding on the Certificateholders of such Series.

6. INTEREST

The Certificates will not bear interest.

7. REDEMPTION

(a) Final redemption

Unless previously redeemed as provided in this Condition, the Issuer will redeem each Certificate in an amount per Certificate equal to the Certificate Redemption Amount on the Maturity Date.

The Issuer may not redeem any Certificate in whole or in part prior to the Maturity Date except as provided in Conditions 7(b) and (c).

With respect to the Maturity Date the Issuer will request the realisation of the Shares in sufficient time to allow the Company to redeem or realise the underlying assets by the Maturity Date so that the only amount payable in respect of the Certificates on the Maturity Date shall be the Certificate Redemption Amount. If any amounts are received by the Issuer after the Maturity Date then such amounts shall be retained by the Issuer available for distribution to its shareholders for the benefit of The Weser Capital Charitable Trust.

All Custodian Certificates outstanding (as defined in the Trust Deed) on the Maturity Date shall be cancelled.

(b) Mandatory early redemption

If:

- (i) at any time prior to the Maturity Date, if it is specified in the relevant Final Terms that the Issuer may determine in its sole discretion to redeem all Certificates and the Issuer so determines; or
- (ii) at any time prior to the Maturity Date, the Calculation Agent determines that an Early Termination Event has occurred which it does not waive; or
- (iii) at any time prior to the Maturity Date, an additional Early Termination Event as set out in the relevant Final Terms for such Certificates occurs

(each, a “**Mandatory Redemption Event**”) then

- (i) if the Issuer is under an obligation to request the transfer by the Certificate Custodian of a number of Custodian Certificates to the Dealer on the date on which the relevant Share NAV is published, then a number of Custodian Certificates equal to the number of Shares subscribed for by the Issuer as determined by the Company Administrator will be transferred to the Dealer, for transfer to the Certificateholders forthwith or, if Share NAV as of the relevant Company

Investment Subscription Date has not yet been published, upon such publication; and

- (ii) all of the Certificates which are in issue at such time will be redeemed and the remaining Custodian Certificates will be cancelled in accordance with the provisions below.

Upon the occurrence of a Mandatory Redemption Event, the Issuer shall forthwith give not more than two Company Business Days' prior notice (or such other notice period as indicated in the Trust Deed) of the date of such mandatory redemption (the "**Redemption Date**") to the Note Trustee, the Certificateholders and the Paying Agent (which notice shall be irrevocable). The Issuer will pay any amount due and payable to the Note Trustee and/or the Security Trustee and/or the Agents, to the extent not paid pursuant to the Expenses Agreement, and then redeem the Certificates in an amount per Certificate equal to the Certificate Redemption Amount on the date falling two Company Business Days after the Redemption Date (or such other number of days specified in the Final Terms) subject to the Issuer having received the proceeds of realisation of the Shares one Company Business Day after such Redemption Date. If receipt of the proceeds of realisation of the Shares is delayed the redemption of the Certificates will be effected within two Company Business Days of receipt thereof. If the Issuer subsequently receives, within 60 days of the Redemption Date, further amounts from the Company from the realisation of Shares in respect of the Certificates, then the Issuer will pay to the former Certificateholders their pro rata share of any such amounts (such payment, a "**Supplemental Redemption Amount**").

No payment will be made in respect of the Certificates until any amount due and payable to the Note Trustee and/or the Security Trustee and/or the Agents, to the extent not paid pursuant to the Expenses Agreement, has been paid in full.

No payment will be made in respect of Custodian Certificates.

The following events shall each constitute an "**Early Termination Event**", in each case as determined by the Calculation Agent and if it determines this is material for the purposes of the Certificates:

- (i) the occurrence of a Tax Event or an Illegality;
- (ii) the currency of the Shares and/or its net asset value is no longer calculated in US dollars;
- (iii) the Company Administrator fails to calculate and publish the Share NAV for one week or more or the Share NAV is not published in accordance with the procedures prevailing as of the Issue Date;
- (iv) the Company introduces a redemption fee or subscription fee, or any other fee not otherwise payable on the Issue Date under the Company offering document that a holder of a Share has to bear;
- (v) there is a change in tax treatment which could have an adverse economic impact for a holder of a Share;
- (vi) the Company is closed or an investor is unable to purchase or sell Shares on a daily basis;
- (vii) the Company is wound up or terminated or any regulatory approval or registration is cancelled or is under review (due to wrongdoing, breach of any rule or regulation or other reason);

- (viii) the occurrence of any event or circumstance (whether or not in accordance with the rules of the Company) which obliges a holder of a Share to sell or dispose of such Share;
- (ix) the Issuer advises that it is unable, after using commercially reasonable efforts, or would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense or fee (other than brokerage commissions) to:
 - (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the risk of entering into and performing its obligations with respect to the Certificates; or
 - (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s);
- (x) any event occurs that the Calculation Agent, acting in good faith and in a commercially reasonable manner, determines may have a materially detrimental effect on the risk profile of the Certificates for the Issuer;
- (xi) there is a declaration by or on behalf of the Company of an actual or proposed compulsory termination or redemption of or any dividend or distribution in respect of the Shares;
- (xii) the suspension by the Company of acceptance of subscriptions or redemptions for Shares whether or not in accordance with the applicable Company subscription documents;
- (xiii) an order has been made or an effective resolution passed for the winding up, dissolution or termination of the Company Trading Adviser, the Company Manager or any of their respective affiliates;
- (xiv) the Company is dissolved or ceases to exist or circumstances occur that will cause it to be dissolved or cease to exist;
- (xv) any action, condition or circumstance necessary to enable the Company to lawfully enter into, exercise its rights and perform and comply with its obligations has not been taken, fulfilled or completed or has been cancelled;
- (xvi) any action, suit, proceeding, inquiry or investigation has been taken or brought, or is pending, by any court, governmental or regulatory body or agency against the Company or any authorised representative or any affiliate of the Company Trading Adviser or the Company Manager;
- (xvii) the Shares are reclassified, the Company is consolidated, amalgamated or merged with another Company whose investment objectives, risk profile and/or investment objectives are different to those of the Company at the Issue Date or a resolution is proposed to effect any such reclassification, consolidation, amalgamation or merger;
- (xviii) there is (i) a transfer or an irrevocable commitment to transfer all of the Shares or the shares in the Company Trading Adviser or the Company Manager to another entity or person, (ii) a consolidation, amalgamation or merger of the Company or the Company Trading Adviser or the Company Manager with or into another entity or person (other than a consolidation, amalgamation or merger in which the Company or the Company Trading Adviser or the Company Manager, as applicable, is the continuing entity and which does not result in a reclassification or

change of all of the Shares or the shares in the Company Trading Adviser or the Company Manager, as applicable), or (iii) a takeover offer, tender offer, exchange offer, solicitation or other event by any entity or person to acquire all of the Shares or the shares in the Company Trading Adviser or the Company Manager;

- (xix) a change in law that requires the imposition, deduction of withholding tax which increases the effective dealing costs of subscribing for, holding, or redeeming the Shares;
- (xx) a change in law, taxation or regulation, including capital adequacy or similar requirements, or in the constitution of the Company occurs or is likely to occur which may have a material adverse effect on (i) the ability of an investor to hold, purchase, sell or redeem Shares (ii) the costs that are or will be incurred by an investor in purchasing, selling, holding or redeeming Shares or (iii) the value of the Shares;
- (xxi) any event has occurred which is likely to have a material adverse effect on the solvency or liquidity of the Company and/or the Shares, including, but not limited to, any material litigation concerning the Company which involves any holder(s) of Shares;
- (xxii) the making of any material reservation, warning and/or provision in an audit report of the Company (whether generally or in respect of any class or series of shares or units) by the auditor of the Company;
- (xxiii) there is an actual or proposed change to the investment strategy being pursued by the Company in respect of the Shares;
- (xxiv) there is an actual or proposed material change to the Company subscription documents;
- (xxv) the Company is in breach of its Company subscription documents or any investment guidelines or the Company Trading Adviser or the Company Manager is in breach of its investment management agreement (howsoever described) with the Company;
- (xxvi) the appointment of the Dealer pursuant to the Dealer Agreement has been terminated;
- (xxvii) any other event or circumstance exists or occurs in relation to the Company, the Shares, agents or service providers of the Company, or the Certificates which the Calculation Agent determines is analogous to any other Early Termination Event and/or has or may have a material adverse effect on the Company, the Shares or the Certificates;
- (xxviii) any additional Early Termination Event set out in the Final Terms.

Upon the occurrence of any Early Termination Event the Calculation Agent shall notify the Issuer, the Note Trustee and the Security Trustee in writing of such occurrence. The Note Trustee and the Security Trustee shall be entitled to rely on such notice without liability to any person. Neither the Note Trustee nor the Security Trustee shall be under any duty to monitor whether an Early Termination Event has occurred and in the absence of express notice to the contrary from the Calculation Agent shall assume no such event has occurred and shall have no liability to any person for doing so.

(c) **Early repurchase**

The Issuer may agree in its sole discretion, if the Dealer requests the Issuer to repurchase on no less than one Company Business Day's notice one or more

Certificates on a Company Business Day (each, a “**Purchase Date**”). On the date on which the Issuer receives notice of such repurchase request, the Calculation Agent will request the Company to redeem a number of Shares equal to the number of Certificates being repurchased by the Issuer.

The Certificates repurchased on such Purchase Date shall be repurchased in an amount per Certificate equal to the Certificate Buy-back Amount. Payment will be made to the Certificateholders two Company Business Days after the Purchase Date (or such other number of days specified in the Final Terms), subject to the Issuer having received the proceeds of realisation of the Shares one Company Business Day after such Purchase Date. If receipt of the proceeds of realisation is delayed the repurchase of the Certificates will be effected within two Company Business Days of receipt thereof by the Issuer.

If, in respect of any Certificates repurchased prior to the Maturity Date, the Issuer subsequently receives, within 60 days of the Purchase Date of such Certificates, further amounts from the Company from the realisation of Shares in respect of such Certificates, then the Issuer will pay to the former Certificateholders their pro rata share of any such amounts. Any amounts received by the Issuer from the Company after such 60 days will be retained by the Issuer.

No more than one repurchase request may be made by the Dealer to the Issuer in relation to the same Purchase Date.

8. SUBORDINATION

No payment may be made to the Certificateholders on the Maturity Date until any amount due and payable to the Note Trustee and/or the Security Trustee and/or the Agents, to the extent not paid pursuant to the Expenses Agreement, has been paid in full.

On any date on which all of the Certificates are to be redeemed, if the liquidated proceeds of realisation of the Collateral, in the case of Secured Certificates, or the Underlying Assets, in the case of Unsecured Certificates being realised (the “**Realised Value**”) does not exceed the sum of (i) amounts due and payable to the Note Trustee and/or the Security Trustee and/or the Agents (to the extent not paid pursuant to the Expenses Agreement), and (ii) the Certificate Redemption Amount multiplied by the number of Certificates outstanding, then the amount payable to the relevant Certificateholders per Certificate will be equal to the Realised Value minus the amounts due and payable to the Note Trustee and/or the Security Trustee and/or the Agents (to the extent not paid pursuant to the Expenses Agreement), divided by the Number of Certificates in issue on the redemption date of the Certificates whereupon the Certificateholders shall have no further claims against the Issuer (save, in the case of a Mandatory Redemption Event, in respect of the Supplemental Redemption Amount). If the proceeds of the redemption of the Collateral, in the case of Secured Certificates, or the Underlying Assets, in the case of Unsecured Certificates on such date exceed the amount (if any) payable to the Note Trustee, the Security Trustee (if applicable), the Agents, the Certificateholders and the Dealer, then each Certificate will be redeemed in an amount per Certificate equal to the Certificate Redemption Amount and the Certificateholders shall have no further claims against the Issuer (save, in the case of a Mandatory Redemption Event, in respect of the Supplemental Redemption Amount). Any excess proceeds (if any) remaining after such payments shall be retained by the Issuer.

9. PAYMENTS

(a) Method of payment

Payments of principal will be by credit or transfer to a US dollar account specified by the payee.

(b) Payments against presentation and surrender

Payments of principal in respect of Certificates will (subject as provided below) be made in the manner provided in Condition 9(a) against presentation and surrender of the relevant Certificates at the specified office of any Paying Agent, Transfer Agent or of the Registrar.

(c) Payments subject to fiscal law

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 10.

(d) Appointment of agents

The Paying Agent initially appointed by the Issuer and its specified office is set out in the introductory paragraphs to these conditions. The Paying Agent, the Registrar, the Calculation Agent and the Certificate Custodian act solely as agents of the Issuer (unless, in the case of Secured Certificates, an Event of Default has occurred or may with the lapse of time or the giving of notice occur, when such agents may act as agents of the Note Trustee if so notified by the Note Trustee) and do not assume any obligation or relationship of agency or trust for or with any Certificateholder. The Issuer reserves the right at any time with the prior written approval of the Note Trustee to vary or terminate the appointment of the Paying Agent, the Registrar, the Calculation Agent, or the Certificate Custodian and to appoint additional or other paying agents, registrars, calculation agents or certificate custodians provided that the Issuer will at all times maintain (i) a Paying Agent in a European Union member state that will not be obliged to withhold or deduct tax pursuant to EU Council Directive 2003/48/EC which was adopted on 3 June 2003, (ii) a Registrar, (iii) a Calculation Agent and (iv) a Certificate Custodian.

Notice of any such change or any change of any specified office will promptly be given to the Certificateholders in accordance with Condition 17.

(e) Non-business days

If any date for payment in respect of any Certificate is not a day on which commercial banks and foreign exchange markets settle payments and are open for general business in the place where the relevant Certificate is presented for payment, the holder shall not be entitled to payment until the next following such day nor to any interest or other sum in respect of such postponed payment.

10. TAXATION

(a) Payment net of Taxes

All payments in respect of the Certificates by or on behalf of the Issuer shall be made net of withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of or any political subdivision or any authority thereof or therein having power to tax.

(b) **Certificateholder Expenses**

A Certificateholder must pay all Certificateholder Expenses relating to Certificates held by or being exercised by it as a condition precedent to receiving any amount in respect of the Certificates and the Issuer is entitled to deduct all relevant Certificateholder Expenses from any such payment to be made by it under the Certificates. As used herein "**Certificateholder Expenses**" means, in respect of a Certificate, all taxes, duties and/or expenses, including any applicable depositary charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties, arising in connection with (a) the exercise of such Certificate and/or (b) any payment due following exercise or otherwise in respect of such Certificates.

11. PRESCRIPTION

Claims against the Issuer for payment in respect of the Certificates shall be prescribed and become void unless made within ten years from the appropriate Relevant Date in respect thereof.

12. EVENTS OF DEFAULT

If any of the following events (each an "**Event of Default**") shall occur, the Note Trustee at its discretion may, and if so requested in writing by the holders of at least one-quarter of the aggregate principal amount of the Certificates then outstanding or if so directed by an Extraordinary Resolution of the Certificateholders (subject, in each case, to being indemnified and/or secured and/or prefunded to its satisfaction) shall, give notice (an "**Enforcement Notice**") to the Issuer and, in the case of Secured Certificates, the Security Trustee that the Certificates are, and each Certificate shall accordingly forthwith become immediately due and payable and any Custodian Certificates outstanding on such date shall be cancelled and, in the case of Secured Certificates only, the Security shall become enforceable.

(a) **Non-payment**

default is made for a period of seven days or more in the payment of any amount due in respect of the Certificates following receipt by the Issuer of the redemption proceeds of the Collateral or the Underlying Assets, as applicable, being redeemed to effect such redemption;

(b) **Breach of other obligations**

the Issuer fails to perform or comply with any one or more of its other obligations (other than a failure to perform or comply with obligations which failure, in the opinion of the Note Trustee, is not materially prejudicial to the Certificateholders) under the Certificates or the Trust Deed and (except where such failure is not in the opinion of the Note Trustee capable of remedy when no such notice as is hereinafter referred to shall be required) such failure shall continue for more than 30 days (or, if applicable, such longer period as the Note Trustee may permit) next following the service by the Note Trustee on the Issuer of notice requiring the same to be remedied;

(c) **Winding-up**

the Issuer, otherwise than for the purposes of such amalgamation or reconstruction as is referred to in paragraph (d) below, ceasing or, through an official action of the board of directors of the Issuer, threatening to cease to carry on business or being unable to pay its debts as and when they fall due;

(d) Insolvency proceedings

an order being made or an effective resolution being passed for the winding-up of the Issuer except a winding-up for the purposes of or pursuant to an amalgamation or reconstruction the terms of which have previously been approved by an Extraordinary Resolution of the Certificateholders;

(e) Insolvency

proceedings being otherwise initiated against the Issuer under any applicable liquidation, insolvency, bankruptcy, composition, reorganisation or other similar laws (including, but not limited to, presentation of a petition for an administration order) and such proceedings are not being disputed in good faith with a reasonable prospect of success, or a receiver, liquidator or other similar official being appointed in relation to the Issuer or in relation to the whole or in the opinion of the Note Trustee any substantial part of the undertaking or assets of the Issuer, or an encumbrancer taking possession of the whole or in the opinion of the Note Trustee any substantial part of the undertaking or assets of the Issuer, or a distress or execution or other process being levied or enforced upon or sued out against the whole or in the opinion of the Note Trustee any substantial part of the undertaking or assets of the Issuer and such possession or process (as the case may be) not being discharged or not otherwise ceasing to apply within 30 days, or the Issuer initiating or consenting to judicial proceedings relating to itself under applicable liquidation, insolvency, bankruptcy, composition, reorganisation or other similar laws or making a conveyance or assignment for the benefit of its creditors generally.

13. ENFORCEMENT

Only the Note Trustee may pursue the remedies available under the Trust Deed to enforce the rights of the Certificateholders and, in the case of Secured Certificates, only the Security Trustee may enforce the Security, and no Certificateholder is entitled to proceed against the Issuer unless the Note Trustee or the Security Trustee, as applicable, having become bound so to do, fails to take action against the Issuer or to enforce the rights of the Certificateholders or any of the Security, if applicable, within a reasonable time and such failure is continuing. Having realised the Security (in the case of Secured Certificates) or following liquidation of the Underlying Series Property by the Issuer (in the case of Unsecured Certificates) and distributed the net proceeds in accordance with Condition 4, none of the Note Trustee, the Security Trustee, if applicable, or any Certificateholder may take any further steps against the Issuer to recover any sum still unpaid and any such liability shall be extinguished. In particular none of the Note Trustee, the Security Trustee, if applicable, the Certificateholders or any person acting on behalf of any of them may at any time institute, or join with any other person in bringing, instituting or joining, insolvency, administration, bankruptcy, winding-up, examinership or any other similar proceedings (whether court-based or otherwise) in relation to the Issuer or any of its assets, and none of them shall have any claim arising with respect to the assets and/or property attributable to any other certificates issued by the Issuer (save for any further certificates which form a single series with the Certificates) provided that the Note Trustee may prove or lodge a claim in the liquidation of the Issuer initiated by another party and provided further that the Note Trustee may take proceedings to obtain a declaration or similar judgment or order as to the obligations and liabilities of the Issuer.

Neither the Note Trustee nor the Security Trustee shall be obliged to take any action, step or proceeding under these Conditions, the Trust Deed or any Relevant Agreement unless directed to do so pursuant to the terms of the Trust Deed and indemnified and/or secured and/or prefunded to its satisfaction.

Following such extinguishment, none of the Note Trustee, the Security Trustee, if applicable, the Certificateholders or any other person acting on behalf of any of them

shall be entitled to take any further steps against the Issuer or any of its officers, shareholders, corporate service providers or directors to recover any further sum in respect of the extinguished claim and no debt shall be owed to any such persons by the Issuer in respect of such further sum.

14. MEETINGS OF CERTIFICATEHOLDERS, MODIFICATIONS, WAIVER AND SUBSTITUTION

(a) Meetings of Certificateholders

The Trust Deed contains provisions for convening meetings of Certificateholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Trust Deed, “**Extraordinary Resolution**”) of a modification of any of the provisions of the Trust Deed, the terms and conditions of the Certificates or any Relevant Agreement. The quorum at any such meeting for passing an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in principal amount of the Certificates for the time being outstanding or, at any adjourned meeting, two or more persons being or representing Certificateholders, whatever the principal amount outstanding of the Certificates so held or represented, except that, any modification relating to, *inter alia*, the details of the Security (if applicable) and the Series Assets, terms concerning the amount, currency and postponement of the due dates for payment of the Certificates, the provisions concerning the quorum required at any meeting of Certificateholders and the provisions concerning the majority required to pass an Extraordinary Resolution (such modification a “**Basic Terms Modification**”) may be modified only by resolutions passed at a meeting the quorum at which shall be two or more persons holding or representing at least two-thirds, or at any adjourned such meeting at least one-third, in principal amount of the Certificates for the time being outstanding. An Extraordinary Resolution passed at any meeting of Certificateholders will be binding on all Certificateholders, whether or not they were present at such meeting.

(b) Modifications and waiver

The Note Trustee may agree, and, in the case of Secured Certificates, may direct the Security Trustee to agree without the consent of any of the Certificateholders, to:

- (i) any modification of any of the provisions of the Trust Deed or of any other Relevant Agreement which is in the opinion of the Note Trustee of a formal, minor or technical nature or is made to correct a manifest error; or
- (ii) any modification (except relating to a Basic Terms Modification), waiver or authorisation of any breach or proposed breach of any of the provisions of the Trust Deed or of any of the other Relevant Agreements which, in any such case, is not in the opinion of the Note Trustee materially prejudicial to the interests of all of the Certificateholders.

Any such determination, modification, authorisation or waiver shall be binding on both the Secured Certificateholders and the Unsecured Certificateholders and, unless the Note Trustee agrees otherwise, any such modification shall be notified to the Certificateholders as soon as practicable thereafter. Secured Certificateholders and Unsecured Certificateholders shall have no right of action against the Note Trustee if the Note Trustee agrees to any such modifications to the Relevant Agreements that affect either the Secured Certificateholders or the Unsecured Certificateholders.

(c) Substitution

Subject to such amendment of the Trust Deed and such other conditions as the Note Trustee may require, including in the case of the Secured Certificates the transfer of the Security, but without the consent of the holders of the Certificates, the Note Trustee may agree to and, in the case of Secured Certificates, may direct the Security Trustee to agree to the substitution of any other company or other entity in place of the Issuer as principal debtor under the Trust Deed, the Certificates (to the extent relevant) and the other Relevant Agreements. Such substitution shall be subject to the relevant provisions of the Trust Deed and the other Relevant Agreements and to such amendments thereof as the Note Trustee or the Issuer may deem appropriate. In the case of such a substitution the Note Trustee may agree, and, in the case of Secured Certificates, may direct the Security Trustee to agree without the consent of the holders of the Certificates, to a change of the law governing the Certificates, the Trust Deed and/or the other Relevant Agreements provided that such change would not in the opinion of the Note Trustee be materially prejudicial to the interests of the Certificateholders.

If another company or entity is substituted in place of the Issuer pursuant to these Conditions and the Trust Deed such substitute shall replace the Issuer as principal debtor under the Trust Deed and the Certificates and replace it under the Trust Deed and the other Relevant Agreements.

The Note Trustee may, without the consent of the Certificateholders, agree and, in the case of Secured Certificates, may direct the Security Trustee to agree to a change in the place of residence of the Issuer for taxation purposes provided the Issuer does all such things as the Note Trustee may require in order that such change in the place of residence of the Issuer for taxation purposes is fully effective and complies with such other requirements in the interests of the Certificateholders as the Note Trustee may direct.

15. INDEMNIFICATION OF THE NOTE TRUSTEE AND THE SECURITY TRUSTEE

The Trust Deed contains provisions for the indemnification of the Note Trustee and the Security Trustee and for their relief from responsibility including for the exercise of any rights in respect of the Mortgaged Property (in the case of Secured Certificates), for the sufficiency and enforceability (which neither the Note Trustee nor the Security Trustee has investigated) of the Security (in the case of Secured Certificates) and for taking any actions, steps or proceedings to enforce the terms of the Certificates unless indemnified and/or secured and/or prefunded to its satisfaction. The Note Trustee, the Security Trustee and any of their affiliates are entitled to enter into business transactions with the Issuer, any obligor in respect of any of the Mortgaged Property or Unsecured Series Property or any of their respective subsidiaries, holding or associated companies without accounting to the Certificateholders for any profit resulting therefrom. Each of the Note Trustee and the Security Trustee is exempted from liability with respect to any loss or theft or reduction in value of the Mortgaged Property or Unsecured Series Property and from any obligation to insure or to procure the insuring of the Mortgaged Property or Unsecured Series Property.

16. REPLACEMENT OF DEFINITIVE CERTIFICATES

If a Definitive Certificate is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws and listing regulations, at the specified office of the Registrar on payment by the claimant of the taxes, fees and costs properly incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that, if the allegedly lost, stolen or destroyed Definitive Certificate is subsequently presented for payment, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Certificates) and otherwise as the Issuer may require. Mutilated or defaced Definitive Certificates must be surrendered before replacements will be issued.

17. NOTICES

Notices to the holders of Certificates shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing.

18. FURTHER ISSUES

(a) Restrictions on further issues and transactions

The Issuer may from time to time (without the consent of the Certificateholders) issue further Certificates (which may be consolidated and form a single series with any Series of Certificates if issued in accordance with Condition 18(b)) which are secured by or rely for their payment on *inter alia* (save in the case of further Certificates forming a single series with Custodian Certificates) assets of the Issuer other than any existing Mortgaged Property or any existing Underlying Series Property and the Issuer's share capital and transaction fees and issued on terms that provide for the extinction of all claims in respect of such Certificates after application of the proceeds of enforcement of the security over or the liquidation of the assets on which such further Certificates are secured or rely for their payment on (as the case may be) and that prevent transaction creditors from taking steps to wind up the Issuer. Any such further Certificates shall be constituted by a Supplemental Trust Deed in respect of such Certificates.

(b) Restrictions on fungible issues

The Issuer may from time to time (without the consent of the Certificateholders) issue further Certificates that have, when issued, the same terms and conditions as the Certificates in all respects and that are consolidated and form a single series with the Certificates provided that in the case of a further issue of Secured Certificates only the Issuer provides additional security for such new Secured Certificates that comprises assets that are fungible with the Mortgaged Property.

19. PURCHASE OF CERTIFICATES

All Certificates repurchased by the Issuer may be cancelled, in which case the obligations of the Issuer in respect of any such Certificates shall be discharged. Absent such cancellation and notwithstanding any other provision of these Conditions, all Certificates held by or on behalf of the Issuer, shall be deposited with the Certificate Custodian and shall carry the same rights as Custodian Certificates.

20. GOVERNING LAW

(a) The Certificates and any non-contractual obligations arising therefrom are governed by, and shall be construed in accordance with, English law.

(b) No person shall have any right to enforce any term or condition of this Certificate by virtue of the Contracts (Rights of Third Parties) Act 1999.

SUMMARY OF PROVISIONS RELATING TO THE CERTIFICATES WHILE REPRESENTED BY THE GLOBAL CERTIFICATE

The following is a summary of the provisions to be contained in the Global Certificate which will apply to, and in some cases modify, the Conditions of the Certificates while the Certificates are represented by the Global Certificate.

Initial issue of Certificates

The Certificates will initially be represented by interests in a global certificate (the “**Global Certificate**”) registered in the Register in the name of a nominee for the common depositary for Euroclear or Clearstream, Luxembourg (the “**Common Depositary**”) and the Global Certificate shall be deposited with the Common Depositary. Each subscriber will be credited in the records of Euroclear or Clearstream, Luxembourg with a number of Certificates equal to the number thereof for which it has subscribed and paid.

Certificates that are initially deposited with the Common Depositary may also be credited to the accounts of subscribers with other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by other clearing systems. Conversely, Certificates that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

Relationship of accountholders with clearing systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other clearing system as the holder of a Certificate represented by a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg or such clearing system (as the case may be) for his share of each payment made by the Issuer to the holder of the underlying Certificates in the Register and in relation to all other rights arising under the Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg or such clearing system (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Certificates for so long as the Certificates are represented by such Global Certificate and such obligations of the Issuer will be discharged by payment to the holder of the underlying Certificates in the Register in respect of each amount so paid.

Exchange of Global Certificates for Definitive Certificates

The Global Certificate will be exchangeable in whole but not in part (free of charge to the holder) for Definitive Certificates only if any of the following events occurs or exists (each an “**Exchange Event**”):

- (a) an Event of Default (as set out in Condition 12) has occurred and is continuing: or
- (b) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available; or
- (c) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Certificates in definitive form.

The Issuer will promptly give notice to Certificateholders if an Exchange Event occurs. In the case of (a) or (b) above, the holder of the Global Certificate, acting on the instructions of one or more of the Accountholders (as defined below), may give notice to the Issuer and the Paying Agent and, in the case of (c) above, the Issuer may give notice to the Paying

Agent of its intention to exchange the Global Certificate for Definitive Certificates on or after the Exchange Date (as defined below).

On or after the Exchange Date the holder of the Global Certificate may or, in the case of (c) above, shall surrender the Global Certificate to or to the order of the Paying Agent. In exchange for the Global Certificate the Issuer will deliver, or procure the delivery of, an equal aggregate number of Definitive Certificates, security printed in accordance with any applicable legal and stock exchange requirements and in or substantially in the form set out in the Agency Agreement. On exchange of the Global Certificate, the Issuer will procure that it is cancelled and, if the holder so requests, returned to the holder together with any relevant Definitive Certificate.

Registration of title to Certificates of a Series, specified in the Final Terms of such Series that such Certificates are to be held through a clearing system, in a name other than that of the nominee of Euroclear and Clearstream, Luxembourg will not be permitted unless an Exchange Event occurs.

For these purposes, “**Exchange Date**” means a day specified in the notice requiring exchange falling not less than 60 days after that on which such notice is given, being a day on which banks are open for general business in the place in which the specified office of the Registrar is located and, except in the case of exchange pursuant to (b) above, in the place in which the relevant clearing system is located.

“**Accountholder**” means each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular number of Certificates.

Amendments to Conditions

The Global Certificates contain provisions that apply to the Certificates that they represent, some of which modify the effect of the terms and conditions of the Certificates set out in this Base Prospectus. The following is a summary of certain of those provisions:

Payments

No payment falling due after the Exchange Date will be made on any Global Certificate unless exchange for Definitive Certificates is improperly withheld or refused. All payments in respect of Certificates represented by a Global Certificate will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Certificates, surrender of that Global Certificate to or to the order of the Paying Agent. A record of each payment so made will be endorsed on each Global Certificate, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Certificates.

Prescription

Claims against the Issuer in respect of Certificates that are represented by a Global Certificate will become void unless it is presented for payment within a period of 10 years from the appropriate due date therefor.

Meetings

The holder of a Global Certificate shall (unless such Global Certificate represents only one Certificate) be treated as being two persons for the purposes of any quorum requirements of a meeting of Certificateholders. All holders of Certificates are entitled to one vote in respect of each Certificate comprising such Certificateholder's holding, whether or not represented by a Global Certificate.

Cancellation

Cancellation of any Certificate represented by a Global Certificate that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the principal amount of the relevant Global Certificate.

Trustee's powers

In respect of a Secured Series of Certificates, in considering the interests of Certificateholders while any Global Certificate is held on behalf of, and Certificates are registered in the name of any nominee for, a clearing system, the Note Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to such Global Certificate and Certificates and may consider such interests as if such accountholders were the holders of the Certificates represented by such Global Certificate.

Notices

So long as any Certificates are represented by a Global Certificate and such Global Certificate is held on behalf of a clearing system, notices to the Certificateholders of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Certificate.

CLEARING AND SETTLEMENT

Clearing and settlement of the Certificates will be effected in accordance with the operating procedures of Euroclear and Clearstream, Luxembourg.

Transfers within and between Euroclear and Clearstream Luxembourg

So long as Euroclear, Clearstream, Luxembourg or the nominee of their common depositary is the holder of a Global Certificate for a series, Euroclear, Clearstream, Luxembourg or such nominee, as the case may be, will be considered the sole owner or holder of the Certificates of such series represented by such Global Certificate for all purposes under the Trust Deed, the Agency Agreement and the Certificates. All payments in respect of Certificates represented by a Global Certificate will be made to Euroclear, Clearstream, Luxembourg or such nominee, as the case may be, as the holder thereof. None of the Issuer, the Note Trustee, the Security Trustee, if applicable, the Registrar, the Paying Agent, the Calculation Agent or the Dealer or any affiliate of any of the foregoing will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in Global Certificates or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Euroclear and Clearstream, Luxembourg

Custodial and depositary links have been established with Euroclear and Clearstream, Luxembourg to facilitate the initial issue of the Certificates and cross-market transfers of the Certificates associated with secondary market trading.

Euroclear and Clearstream, Luxembourg each hold securities for their customers and facilitate the clearance and settlement of securities transactions through electronic book-entry transfer between their respective accountholders and provide various services including safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depositary and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective customers may settle trades with each other. Their customers are worldwide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions which clear through or maintain a custodial relationship with an accountholder of either system.

Distributions of principal and any other amounts with respect to book-entry interests in the Certificates held through Euroclear or Clearstream, Luxembourg will be credited, to the extent received by Euroclear or Clearstream, Luxembourg from the Paying Agent, to the cash accounts of Euroclear or Clearstream, Luxembourg customers in accordance with the relevant system's rules and procedures.

The holdings of book-entry interests in Certificates in Euroclear and Clearstream, Luxembourg will be reflected in the book-entry accounts of each such institution. Beneficial ownership in Certificates will be held through financial institutions as direct and indirect participants in Euroclear and Clearstream, Luxembourg. Euroclear and Clearstream, Luxembourg, as the case may be, and every other intermediate holder in the chain to the beneficial owner of book-entry interests in the Certificates, will be responsible for establishing and maintaining accounts for their participants and customers having interests in the book-entry interests in the Certificates. The Registrar will be responsible for maintaining a record of the aggregate holdings of Certificates registered in the name of a nominee for the common depositary for Euroclear and Clearstream, Luxembourg, and/or holders of Certificates represented by Definitive Certificates. The Paying Agent will be

responsible for ensuring that payments received by it from the Issuer for holders of interests in the Certificates holding through Euroclear and Clearstream, Luxembourg are credited to Euroclear or Clearstream, Luxembourg, as the case may be. Payments to holders of Certificates represented by Definitive Certificates will be made in accordance with the Conditions.

The Issuer will not impose any fees in respect of the Certificates; however, holders of book-entry interests in the Certificates may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear and Clearstream, Luxembourg.

Interests in Global Certificates will be in uncertificated book-entry form. Purchasers electing to hold book-entry interests in the Certificates through Euroclear and Clearstream, Luxembourg accounts will follow the settlement procedures applicable to conventional eurobonds. Book-entry interests in the Global Certificates will be credited to Euroclear participant securities clearance accounts on the business day following the closing date against payment (for value the closing date), and to Clearstream, Luxembourg participant securities custody accounts on the closing date against payment in same day funds.

Trading between Euroclear and/or Clearstream, Luxembourg accountholders

Secondary market sales of book-entry interests in the Certificates held through Euroclear or Clearstream, Luxembourg to purchasers of book-entry interests in the Certificates through Euroclear or Clearstream, Luxembourg will be conducted in accordance with the normal rules and operating procedures of Euroclear and Clearstream, Luxembourg and will be settled using the procedures applicable to conventional eurobonds.

The information in this section regarding the procedures of Euroclear and Clearstream, Luxembourg in order to facilitate the transfers of interests in the Certificates among participants of Clearstream, Luxembourg and Euroclear has been obtained from sources that the Issuer believes to be reliable but prospective investors are advised to make their own enquiries as to such procedures. None of Euroclear or Clearstream, Luxembourg is under any obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Note Trustee, the Security Trustee, if applicable, the Registrar, the Paying Agent, the Dealer, or any affiliate of any of the foregoing will have any responsibility for the performance by Euroclear and Clearstream, Luxembourg or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations or for the sufficiency for any purpose of the arrangements described above.

WESER CAPITAL LIMITED

General

The Issuer was incorporated in Jersey (registered number 110793) as a public company with limited liability under the Companies (Jersey) Law 1991 on 29 May 2012 for a period of unlimited duration.

Pursuant to an Instrument of Trust dated 24 May 2012, the entire issued share capital of the Issuer is held upon trust for charitable purposes by or on behalf of Dominion Corporate Trustees Limited in its capacity as trustee of The Weser Capital Charitable Trust (in such capacity, the **"Share Trustee"**), a company incorporated in Jersey. The registered office of the Share Trustee is 47 Esplanade, St Helier, Jersey JE1 0BD. The Share Trustee will have no beneficial interest in and derive no benefit (other than fees for acting as Share Trustee) from its holding of shares in the Issuer.

The objects of the Issuer are unrestricted.

Registered Office and Telephone Number

The Issuer's registered office is at 47 Esplanade, St Helier Jersey JE1 0BD. The Issuer's telephone number is +44 (0)1534 835 600.

Management

The Directors of the Issuer are:

Name	Principal Occupation
Elizabeth Ann Mills	Trust Company Director
David Richard King	Trust Company Director

DESCRIPTION OF DIRECTORS' INTERESTS

Affiliates of the Directors of the Issuer provide ongoing administrative services to the Issuer at commercial rates.

The business address of each of the Directors of the Issuer is 47 Esplanade, St Helier, Jersey JE1 0BD.

The secretary of the Issuer is Dominion Corporate Services Limited of 47 Esplanade, St Helier, Jersey JE1 0BD.

Dominion Corporate Services Limited (in such capacity, the **"Corporate Administrator"**) provides administration services to the Issuer pursuant to a corporate administration agreement dated on or about the date hereof (the **"Corporate Administration Agreement"**) made between the Issuer and the Corporate Administrator.

Business

The Issuer has undertaken that, so long as any of the Certificates remains outstanding, it will not, without the prior consent in writing of the Note Trustee incur any other indebtedness for borrowed moneys or engage in any business (other than transactions contemplated by this Base Prospectus), declare any dividends (other than a dividend of up to US\$750 per Series), have any subsidiaries or employees, purchase, own, lease or otherwise acquire any real property, consolidate or merge with any other person, convey or transfer its properties or assets substantially as an entity to any person (other than as

contemplated by the Conditions) or issue any shares (other than such shares as were in issue on 29 May 2012).

The Issuer has no assets other than the Series Assets with respect to each Series, the benefit of any agreement relating to each Series, the sum of £2.00 representing the issued and paid-up share capital and fees generated in connection with the issue of the Certificates and of other certificates. The Issuer has no employees.

The only assets of the Issuer available to meet the claims of the holders of certificates of the Issuer will be (a) in the case of Secured Certificateholders, the property on which such certificates are secured or (b) in the case of Unsecured Certificateholders, the property which the Issuer has allocated to such Unsecured Series.

The Certificates are obligations of the Issuer alone and not of the Share Trustee.

Capitalisation

The following table sets forth the capitalisation of the Issuer at the date hereof:

	£
Shareholders' funds:	
Share capital (Authorised: £10,000 issued: 2 Ordinary Shares of £1.00 each)	2
Indebtedness	0
Total capitalisation	2

There has been no material change in the capitalisation of the Issuer since the date of the information contained in the above table.

The Issuer has no other outstanding indebtedness as at the date hereof.

Financial statements

The Issuer will prepare annual accounts which will be audited. The Issuer will not prepare interim accounts. The Principal Trust Deed requires the Issuer to provide written confirmation to the Note Trustee, on an annual basis, that no Event of Default or other matter which is required to be brought to the Note Trustee's attention has occurred. No accounts of the Issuer have been prepared since its incorporation.

Auditors

The auditors of the Issuer are Deloitte LLP of Lord Coutanche House, 66-68 Esplanade, St Helier, Jersey, JE4 8WA.

SERIES ASSETS – DESCRIPTION OF THE SHARES AND THE COMPANY

The net proceeds of the Certificates of a Series (either from a Secured Series or from an Unsecured Series) will be used by the Issuer to acquire shares or interests in a company or fund (the “**Shares**”) at their prevailing net asset value pursuant to the subscription booklet for such Company. Each Series will be invested in a different Company. Where an application has been made for the Certificates to be listed on the Irish Stock Exchange, the Shares will also be listed on the Irish Stock Exchange.

The description in this section (Series Assets - Description of the Shares and the Company) is applicable to each Company in which the Issuer invests the net proceeds of the Certificates of a particular Series.

The Company

The Company is likely to be a Delaware Limited Liability Company and will operate as a private investment company for the benefit of U.S. taxable and non-U.S. taxable persons. The Company will be established for the purpose of seeking capital appreciation.

The Company has issued or will issue limited liability company interests in a series of the Company to certain U.S. taxable and non-U.S. taxable persons, each of which, a member (the “**Member(s)**”). The Member(s) of the Company will appoint a company as its manager (the “**Company Manager**”) and the Company Manager shall have the authority, in its sole and absolute discretion, to cause the Company from time to time, at the expense of the Company or otherwise, to offer additional series of interests, on such terms and conditions as may be permitted by the Company’s LLC Agreement (as defined below).

The Offering by the Companies

By way of an offering memorandum, the Company will privately and continuously offer interests to certain qualified investors. There is no maximum number of interests that may be sold by the Company. Interests will not carry any right to participate in the affairs of the Company.

It is expected that the Company interests initially will be issued for a minimum of \$100 per interest, that the minimum initial capital contribution for each Member shall be US\$100,000 and the minimum subsequent capital contribution shall be US\$100. Subsequently, the Company Manager intends to offer additional interests to existing Members on any Company Business Day, or at such times as the Company Manager in its sole discretion may determine.

The Company Manager shall have the authority, in its sole discretion, to cause the Company from time to time to create and establish separate series and classes with such rights, powers and duties as the Company Manager shall determine, including rights, powers and duties different from senior or existing series or class, subject to the requirements or restrictions imposed by Delaware law.

Company Manager

ExcelEdge Limited, an exempted company incorporated in the Cayman Islands on September 20th, 2011.

The Company Manager will not have any ownership interest in the Company.

Subject to the limitations of the LLC Agreement, the Company Manager controls the management, operations and policies of the Company and may take such actions as it

deems to be in the best interests of the Company or desirable to manage or promote the business of the Company, including appointing the Company Trading Adviser (as defined below) in consultation with the Members.

The Company Manager may also operate other commodity pools.

Company Trading Adviser

The Company Manager will delegate certain investment management duties to another entity specified in the Final Terms for the Series to serve as the trading adviser (the “**Company Trading Adviser**”) to the Company pursuant to a trading advisory agreement (the “**Advisory Agreement**”).

The duties of the Company Trading Adviser will include investing and reinvesting in exchange listed futures, forward, options contracts and other derivative instruments the amount of assets allocated to the Company Trading Adviser pursuant to the trading programs, methods, systems, strategies which the Company has selected and in accordance with any trading policies, guidelines, restrictions, or limitations set out in the Advisory Agreement.

The Advisory Agreement

The Company Trading Adviser will be granted limited attorney-in-fact to exercise discretion to invest and reinvest in futures, forward and options contracts and other derivative instruments during the term of the Advisory Agreement.

Investment by the Trading Adviser

Neither the Company Trading Adviser nor any of its principals are precluded from purchasing Interests in the Company. The Company Trading Adviser and its principals may trade Commodities for their own accounts. Members will not be permitted to inspect the records of any such trading by the Company Trading Adviser and its principals.

Investment Objective and Policy

Investment Objective and Methods

The Company seeks or will seek capital appreciation. The Company intends to achieve its investment objective directly or indirectly through the leveraged speculative trading of exchange listed futures contracts, forward contracts, swaps, options on the foregoing, exchange of futures for physical transactions, physical exchange for futures transactions, exchange of swap for future transactions, exchange of futures for swap transactions, other derivative instruments and hybrid instruments, and other instruments and investments, non-margin assets in U.S. government securities which include any security issued or guaranteed as to principal or interest by the United States, or by a person controlled by or supervised by and acting as an instrumentality of the government of the United States pursuant to authority granted by the Congress of the United States or any certificate of deposit for any of the foregoing, including U.S. treasury bonds, U.S. treasury bills and issues of agencies of the United States government, and certain cash items such as money market funds, certificates of deposit (under nine months) and time deposits and other cash equivalents as may be approved by the Company Trading Adviser from time to time, in each case of every kind and character, traded on U.S. and non-U.S. markets (including over-the-counter markets) and exchanges and to engage in such other futures-related activities or transactions as determined in good faith by the Company Trading Adviser from time to time in its sole and absolute discretion.

Leverage

The Company may borrow money or otherwise incur indebtedness pursuant to one or more credit facilities (including, without limitation, through the use of structured financial products, promissory notes, drafts, bills of exchange, warrants, bonds, debentures, guarantees, and other negotiable or non-negotiable instruments and evidences of indebtedness) with one or more brokers, banks, and other parties, which may include the Company Trading Adviser and its affiliates and any related documents or agreements contemplated thereby or related thereto for the purpose of funding Company expenses, Company investments, any withdrawal payments or other distributions, or for any other purpose as the Company Manager or the Company Trading Adviser in their sole discretion may determine. It is expected that the Company Manager will not impose any limits on the amount or type of leverage the Company may incur. ***The use of leverage may increase the volatility of the Company's returns and may compound any negative returns. Leverage typically will cause the Company's NAV to increase or decrease at a greater rate than if leverage were not used.***

Investment Limitations

It is expected that the Company will have investment limitations and the Company Trading Adviser will manage the assets of the Company in accordance with trading policies and limitations as agreed between the Company and the Company Trading Adviser from time to time.

Company Commodity Broker

The Company will enter into a commodity futures customer agreement (the “**Customer Agreement**”) with MS & Co. to provide services to the Company as its commodity broker.

MS & Co. provides commodity brokerage and clearing services for both retail and professional participants in the commodity futures markets, including clearing services for other commodity pools and other members of the commodity exchanges of which it is a clearing member.

The Company may engage additional commodity brokers or select another commodity broker to provide the above described services to the Company in the future.

Under the Customer Agreement MS & Co. will execute commodity futures, options, swaps and forward transactions for the Company's account in accordance with orders placed by the Company.

Company Administrative Arrangements

The Company will enter into an agreement (the “**Administrative Services Agreement**”) with an administrator (the “**Company Administrator**”), to provide services to the Company as Company Administrator. The Company Administrator will provide the administrative services subject to the overall direction of the Company Manager of the Company.

The Company Administrator will assist the Company in performing certain day-to-day tasks, including: (i) establish electronic data connections between the Company Administrator and external parties; (ii) process information with respect to trades, investments and other cash transactions; (iii) reconcile transactions, trades, positions, cash, and other balances; (iv) value outstanding trade-breaks and record the calculation of the NAV; (v) prepare drafts of financial statements; (vi) prepare internal and interim financing reports; (vii) assist with

preparation of books and records (including specific schedules); (viii) coordinate payment of expenses and invoices; (ix) process payments in respect of subscriptions and redemptions of capital and any distributions declared on the interests; and (x) transfer monies from transition bank accounts.

The Company Manager may in the future select another administrator to provide the above described services to the Company, or may choose to provide such services itself.

THE COMPANY ADMINISTRATOR WILL BE A SERVICE PROVIDER TO THE COMPANY AND WILL NOT HAVE ANY RESPONSIBILITY OR AUTHORITY TO MAKE INVESTMENT DECISIONS, NOR RENDER INVESTMENT ADVICE, WITH RESPECT TO THE ASSETS OF THE COMPANY. THE COMPANY ADMINISTRATOR WILL NOT PROVIDE ANY INVESTMENT ADVISORY OR MANAGEMENT SERVICE TO THE COMPANY OR THE COMPANY MANAGER AND THEREFORE WILL NOT BE IN ANY WAY RESPONSIBLE FOR THE COMPANY'S PERFORMANCE. THE COMPANY ADMINISTRATOR WILL NOT BE RESPONSIBLE FOR MONITORING ANY INVESTMENT RESTRICTIONS OR COMPLIANCE WITH THE INVESTMENT RESTRICTIONS AND THEREFORE WILL NOT BE LIABLE FOR ANY BREACH THEREOF. MOREOVER, THE COMPANY ADMINISTRATOR, AS SERVICE PROVIDER, WILL NOT BE RESPONSIBLE FOR THE ACTIVITIES OF THE COMPANY.

Fees and Expenses

It is expected that the fees and expenses described below will be incurred in connection with the operation of the Company. The Company Manager or the Company Trading Adviser, as applicable, may agree to waive, defer or modify any terms related to fees or expenses attributable to any Member. The Company may establish and/or offer different series to accommodate any such arrangement.

Company Manager Fees. The Company Manager shall be paid for the services to be provided by it under the terms of the LLC Agreement in accordance with arrangements disclosed to the Members. These will generally consist of an annual fee in the region of US\$10,000 and variable fees based on number of transactions (including, without limitation, processing capital contributions, withdrawals and rebalancing of Allocated Assets (all as defined below)) which need to be undertaken by the Company Manager. Variable fees per transaction will generally be in the region of US\$150 to US\$400, depending on the type of transactions.

Company Trading Adviser Fees. With respect to the series of interests that the Company may offer, the Company Trading Adviser will receive a monthly management fee, based upon the notional trading level of such series of interest as of the end of each month (the "**Allocated Assets**"), whether or not the Company is profitable and, if applicable, a quarterly incentive fee based on the net profits from the Company Trading Adviser's trading during such period. The monthly management fee and, if applicable, quarterly incentive fee will equal a certain percentage (specified in the applicable Final Terms).

Company Administrator Fees. The Company will pay to the Company Administrator an administration fee in a region of 0.08% per annum, paid monthly, of the Allocated Assets, subject to the minimum monthly fee of \$2,500. The Company may also have to pay the Company Administrator other fees for certain set-up or additional services and reimburse the Company Administrator for disbursements and out-of-pocket expenses.

Company Commodity Broker Fees. The Company will pay MS & Co., in consideration for handling certain futures transactions of the Company and other services provided by MS & Co., fees at normal commercial rates.

Brokerage Expenses. The Company will pay for brokerage commissions and transactions charges related to its trading activities. The Company will be responsible for its proportionate share of such expenses attributable to trading activities.

Organisational and Offering Expenses. It is anticipated that the Company shall bear all of its organisational expenses and offering expenses, up to a maximum generally of around \$75,000.

Operational Expenses. The Company shall be responsible for all expenses incurred by the Company in the ordinary course of its business, including, without limitation, the Company Manager's fees and expenses, the Company Trading Adviser's fees, incentive fees, administration fees and expenses, brokerage commissions and other investment and trading fees and expenses, audit fees and expenses, tax compliance fees and expenses, dealer spreads and related transaction fees and expenses, swap spreads, licensing fees, financing charges, fees and expenses incurred in connection with any action, arbitration, claim, demand, dispute, investigation, lawsuit or other proceeding, indemnification payments, and custodial fees. The Company also shall be obligated to pay all of its extraordinary fees and expenses, if any. All Company fees and expenses which are specific to a particular series shall be allocated to such series. All general expenses of the Company shall be allocated pro-rata among all the series according to their respective NAV and taking into account the timing of subscriptions and withdrawals.

Net Asset Valuations

The Company Manager will delegate to the Company Administrator the obligation to calculate the Company's NAV. The Company Administrator will calculate the Company's NAV as of the close of business on any Company Business Day in accordance with United States generally accepted accounting principles ("**GAAP**") in accordance with the policies adopted by the Company.

JERSEY TAXATION

The following summary of the anticipated treatment of the Issuer and Certificateholders (other than residents of Jersey) is based on Jersey taxation law and practice as they are understood to apply at the date of this Base Prospectus and is subject to changes in such taxation law and practice. It does not constitute legal or tax advice and does not address all aspects of Jersey tax law and practice (including such tax law and practice as they apply to any land or building situate in Jersey). Prospective investors in the Certificates should consult their professional advisers on the implications of acquiring, buying, selling or otherwise disposing of the Certificates under the laws of any jurisdiction in which they may be liable to taxation.

Taxation of the Issuer

The Issuer is regarded as resident for tax purposes in Jersey and on the basis that the Issuer is neither a financial services company nor a utility company for the purposes of the Income Tax (Jersey) Law 1961, as amended, the Issuer is subject to income tax in Jersey at a rate of zero per cent. Payments in respect of the Certificates may be paid by the Issuer without withholding or deduction for or on account of Jersey income tax and Certificateholders (other than residents of Jersey) will not be subject to any tax in Jersey in respect of the holding, sale or other disposition of such Certificates.

Stamp duty

In Jersey, no stamp duty is levied on the issue or transfer of the Certificates except that stamp duty is payable on Jersey grants of probate and letters of administration, which will generally be required to transfer the Certificates on the death of a Certificateholder of such Certificates. In the case of a grant of probate or letters of administration, stamp duty is levied according to the size of the estate (wherever situate in respect of a Certificateholder domiciled in Jersey, or situate in Jersey in respect of a Certificateholder domiciled outside Jersey) and is payable on a sliding scale at a rate of up to 0.75% of such estate.

Jersey does not otherwise levy taxes upon capital, inheritances, capital gains or gifts nor are there other estate duties.

EU Savings Directive

As part of an agreement reached in connection with the European Union directive on the taxation of savings income in the form of interest payments, and in line with steps taken by other relevant third countries, Jersey has introduced a retention tax system in respect of payments of interest, or other similar income, made to an individual beneficial owner resident in a Member State by a paying agent established in Jersey. The retention tax system applies for a transitional period prior to the implementation of a system of automatic communication to Member States of information regarding such payments. During this transitional period, such an individual beneficial owner resident in a Member State will be entitled to request a paying agent not to retain tax from such payments but instead to apply a system by which the details of such payments are communicated to the tax authorities of the Member State in which the beneficial owner is resident.

The retention tax system in Jersey is implemented by means of bilateral agreements with each of the Member States, the Taxation (Agreements with European Union Member States) (Jersey) Regulations 2005 and Guidance Notes issued by the Policy & Resources Department of the States of Jersey (being the predecessor to the Chief Minister's Department of the States of Jersey). Based on these provisions and what is understood to be the current practice of the Jersey tax authorities, the Issuer would not be obliged to levy retention tax in Jersey under these provisions in respect of interest payments made by it to a paying agent established outside Jersey.

If you are in any doubt as to your tax position you should consult your professional tax adviser.

SUBSCRIPTION AND SALE AND TRANSFER RESTRICTIONS

The Dealer Agreement

Morgan Stanley & Co. International plc (the “**Dealer**”), will enter into to a dealer agreement, as may be amended, restated and/or supplemented from time to time in respect of the Certificates to be issued under the Programme (the “**Dealer Agreement**”) and pursuant to the Dealer Agreement will agree to subscribe or procure subscribers for the Certificates of each Series at the issue price specified in the applicable Final Terms for such Series. Pursuant to the Dealer Agreement, the Issuer will agree to indemnify the Dealer against certain liabilities, incurred in connection with the issue of the Certificates. The Dealer Agreement may be terminated at any time by the Dealer and in certain circumstances prior to payment to the Issuer. Pursuant to the Expenses Agreement, the Dealer will agree to pay for certain of the operating expenses of the Issuer, incurred in connection with the issue of the Certificates.

Upon the terms and subject to the conditions contained in the Dealer Agreement, the Dealer:

- (a) on an Issue Date, will agree to subscribe and pay for the maximum number of the Certificates available in such Series at their issue price, provided the Subscription Conditions Precedent are satisfied;
- (b) will agree to, on each Company Investment Subscription Date on which new or existing Certificate holders have agreed to purchase further Custodian Certificates from the Dealer, the same such number of Custodian Certificates from the Certificate Custodian at a price per Custodian Certificate equal to the Certificate Price on the relevant Company Investment Subscription Date.

Under the terms of the Dealer Agreement, the Issuer will repurchase from the Dealer an amount of Certificates set out in the Final Terms at a price per Certificate equal to their issue price.

The purchase of Custodian Certificates by the Dealer is conditional upon there not having been any adverse change, development or event reasonably likely to involve a prospective adverse change in the condition (financial or otherwise) of the Issuer which is material in the context of the transaction and on the Subscription Conditions Precedent being satisfied on the relevant date. The representations and warranties that will be given by the Issuer on the Issue Date for a Series and on each date on which Custodian Certificates are purchased by the Dealer from the Issuer are as follows:

- (i) this Base Prospectus and Final Terms for the relevant Series (apart from the issue price of the Certificates of such Series, the repurchase price of the Custodian Certificates, the purchase price of Shares being purchased on the Issue Date and on each Company Investment Subscription Date on which Custodian Certificates are sold to the Dealer) contains all the information with respect to the Issuer and to the relevant Certificates which is material in the context of the issue and purchase of the relevant Certificates;
- (ii) the statements contained in this Base Prospectus and Final Terms for the relevant Series (apart from the issue price of the Certificates of such Series, the repurchase Custodian Certificates, the purchase price of the Company being purchased on the Issue Date and on each Company Investment Subscription Date on which Custodian Certificates are sold to the Dealer, and whether the Certificates are Secured Certificates or Unsecured

Certificates) relating to the Issuer are in every material way true and accurate and not misleading;

- (iii) there are no other facts (apart from the issue price of the Certificates of such Series, the repurchase price of the Custodian Certificates, the purchase price of the Shares being purchased on the Issue Date and on each Company Investment Subscription Date on which Custodian Certificates are sold to the Dealer, and whether the Certificates are Secured Certificates or Unsecured Certificates) in relation to the Issuer the omission of which would, in the context of the issue and sale of the relevant series of Certificates, make any statement in this Base Prospectus and the relevant Final Terms misleading in any respect;
- (iv) the Issuer is duly incorporated under the laws of Jersey, Channel Islands, and has full power and legal authority to conduct its business in Jersey, Channel Islands;
- (v) the creation and offering of the relevant Certificates under the terms and conditions of the Dealer Agreement do not contravene the Memorandum and Articles of Association or any other constitutional documents of the Issuer;
- (vi) all consents, approvals, authorisations, orders and clearances of all regulatory authorities required by the Issuer under the laws of Jersey, Channel Islands have been obtained and are in full force and effect and the Issuer has complied with all legal and other requirements necessary to ensure that the relevant Series of Certificates will represent valid and legally binding obligations of the Issuer and the Relevant Agreements constitute valid and legally binding obligations of the Issuer;
- (vii) there has been no material adverse change in the financial or the trading position of the Issuer nor has there been any material adverse change in the prospects of the Issuer, since its incorporation;
- (viii) no Potential Event of Default, Event of Default, Potential Early Termination Event or Early Termination Event has occurred; and
- (ix) no action has been or will be taken in any jurisdiction by the Issuer that would permit a public offering of the Certificates of a Series, or possession or distribution of this Base Prospectus and the relevant Final Terms or any other offering or publicity material relating to the Certificates of a Series, in any country or jurisdiction where action for that purpose is required, save that the consent of the Jersey Registrar has been obtained to the circulation of the Base Prospectus as required by the Companies (General Provisions) (Jersey) Order 2002, as amended

(together, the “**Subscription Conditions Precedent**”), where:

“**Potential Early Termination Event**” means any event which may become, with the passage of time, the giving of notice, the making of any determination or any combination thereof, an Early Termination Event; and

“**Potential Event of Default**” means any event which may become, with the passage of time, the giving of notice, the making of any determination or any combination thereof, an Event of Default.

No action has been taken by the Issuer or the Dealer which would or is intended to permit a public offer of Certificates of a Series in any country or jurisdiction where action for that

purpose is required save that the consent of the Jersey Registrar has been obtained to the circulation of the Base Prospectus as required by the Companies (General Provisions) (Jersey) Order 2002, as amended. Accordingly, the Dealer has undertaken that it will not, directly or indirectly, offer or sell any Certificates of a Series or distribute or publish any base prospectus, prospectus, form of application, advertisement or other document or information in any country or jurisdiction where action for that purpose is required and neither this Base Prospectus nor any other circular, prospectus, form of application, advertisement or other material may be distributed in or from or published in any country or jurisdiction except under circumstances which will, to the best of its knowledge and belief, result in compliance with applicable laws and regulations and all offers and sales of Certificates by it will be made on the same terms.

Selling restrictions

United States

The Certificates have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, US persons (as such terms are used in Regulation S) except pursuant to an exemption from the registration requirements of the Securities Act. The Issuer has not registered and will not register under the Investment Company Act. Terms used in this paragraph and not otherwise defined herein have the meanings given to them by Regulation S.

The Dealer has agreed that it will not offer, sell or deliver Certificates as part of their distribution or otherwise within the United States or to, or for the account or benefit of US persons. The Dealer has agreed that, except as permitted by the Dealer Agreement, it will not offer or sell Certificates (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of a Series of which such Certificates are a part (the “**Distribution Compliance Period**”), as determined and certified to the Paying Agent by such Dealer, within the United States or to, or for the account or benefit of, US persons, and it will have sent to each affiliate or other dealer to which it sells Certificates during the Distribution Compliance Period a confirmation or other notice setting out the restrictions on offers and sales of the Certificates within the United States or to, or for the account or benefit of, US persons. Terms used in the preceding sentence have the meanings given to them by Regulation S.

The Certificates are being offered and sold outside the United States to non-US persons in reliance on Regulation S.

This Base Prospectus and any Final Terms have been prepared by the Issuer for use in connection with the offer and sale of the Certificates outside the United States to non-US persons. This Base Prospectus and any Final Terms do not constitute an offer to any person in the United States or to any US person. Distribution of this Base Prospectus and/or any Final Terms by any non-U.S. person outside the United States to any US person or to any person within the United States, is unauthorised and any disclosure of any of their contents, without the prior written consent of the Issuer, is prohibited.

The Certificates are subject to US tax law requirements and may not be offered or sold within the United States or its possessions or to a United States person. Terms used in this paragraph have the meanings given to them by the US Internal Revenue Code of 1986 and regulations thereunder.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), the Dealer has represented and agreed that with effect from and including the date on which the Prospectus Directive is

implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Certificates to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of Certificates to the public in that Relevant Member State:

- (i) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (ii) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Dealer; or
- (iii) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive

provided that no such offer of Certificates referred to in (i) to (iii) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of Certificates to the public” in relation to any Certificates in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Certificates to be offered so as to enable an investor to decide to purchase or subscribe the Certificates, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “**Prospectus Directive**” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State and the expression “**2010 PD Amending Directive**” means Directive 2010/73/EU.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

1. in relation to any Certificates which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Certificates other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Certificates would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (“**FSMA**”) by the Issuer;
2. it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Certificates in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
3. it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Certificates in, from or otherwise involving the United Kingdom.

Jersey

Each Dealer has represented and agreed that it has not prior to the consent of the Jersey Registrar pursuant to the Companies (General Provisions) (Jersey) Order 2002, as amended being obtained and becoming effective, circulated an invitation to acquire or apply for any Certificates in circumstances where such invitation constitutes or may constitute a prospectus for the purposes of the Companies (Jersey) Law 1991, as amended or the Companies (General Provisions) (Jersey) Order 2002, as amended.

Ireland

In respect of an Issuer which is incorporated in Ireland as a private limited company, its Articles of Association prohibit any invitation to the public to subscribe for any shares or debentures issued by it. Neither this Base Prospectus nor any Final Terms constitutes an invitation to the public within the meaning of the Irish Companies Acts 1963 to 2009 (as amended) to subscribe for the Certificates issued by such Issuer.

Each Dealer has represented and agreed that:

- (i) it will not underwrite the issue of, or place the Certificates, otherwise than in conformity with the provisions of the European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3), including, without limitation, Regulations 7 and 152 thereof or any codes of conduct used in connection therewith and the provisions of the Investor Compensation Act 1998;
- (ii) it will not underwrite the issue of, or place, the Certificates, otherwise than in conformity with the provisions of the Companies Acts, the Central Bank Acts 1942-2010 (as amended) and any codes of conduct rules made under Section 117(1) of the Central Bank Act 1989;
- (iii) it will not underwrite the issue of, or place, or do anything in Ireland in respect of the Certificates otherwise than in conformity with the provisions of the Prospectus (Directive 2003/71/EC) Regulations 2005 and any rules issued under Section 51 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005, by the Central Bank of Ireland; and
- (iv) it will not underwrite the issue of, place or otherwise act in Ireland in respect of the Certificates, otherwise than in conformity with the provisions of the Market Abuse (Directive 2003/6/EC) Regulations 2005 and any rules issued under Section 34 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005, by the Central Bank of Ireland.

Germany

The Certificates may only be offered or sold or publicly promoted or advertised in the Federal Republic of Germany in compliance with the German Securities Prospectus Act (Wertpapierprospektgesetz) of June 22, 2005, as amended from time to time, or any other laws and regulations applicable in the Federal Republic of Germany in relation to the issuance, offer and sale of securities.

The Dealer has represented and agreed that the Certificates have not been and will not be offered or sold or publicly promoted or advertised by it in the Federal Republic of Germany other than in compliance with the German Securities Prospectus Act or any other laws and regulations applicable in the Federal Republic of Germany in relation to the issuance, offer and sale of securities.

Neither this Base Prospectus nor any accompanying Prospectus Supplement nor any other offer document in relation to the Certificates have been approved by the German Federal Financial Services Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht ("BaFin")) nor have they been notified to BaFin by any competent authority in accordance with § 17(3) of the German Securities Prospectus Act.

General

These selling restrictions may be modified by the agreement of the Issuer and the Dealer following a change in a relevant law, regulation or directive or in respect of any Series. Any such modification will be set out in the Final Terms issued in respect of the issue of Certificates to which it relates or in a supplement to this Base Prospectus.

GENERAL INFORMATION

1. The creation of the Programme and the issue of Certificates thereunder was authorised by a resolution passed by the Board of Directors of the Issuer on 28 June 2012. This Base Prospectus was authorised by a resolution passed by the Board of Directors of the Issuer on 28 June 2012.
2. All other authorisations, consents and approvals required to be obtained by the Issuer for, or in connection with, the creation of the Programme and issue of the Series of Certificates, the execution, delivery and performance by the Issuer of the obligations expressed to be undertaken by it under the Relevant Agreements to which it is a party and the distribution of this Base Prospectus have been (or will, prior to the Issue Date, be) obtained and are in full force and effect.
3. There has been no significant change in the financial or trading position of the Issuer and no material adverse change in the financial position or prospects of the Issuer since its incorporation.
4. The Issuer is not involved in any governmental litigation or arbitration proceedings during the previous 12 months, nor is the Issuer aware of any such proceedings being pending or threatened.
5. For so long as any of the Certificates are listed on the Irish Stock Exchange and traded on the Main Securities Market copies of the Issuer's constitutive documents, the Trust Deed, the Agency Agreement and the Dealer Agreement entered into from time to time and of the prospectuses, trust deeds and agency agreements relating to the issue of the Certificates or other relevant public documentation relating to the Collateral (if any) will be made available in electronic form for inspection free of charge during usual business hours on any day (except Saturdays, Sundays and legal holidays) at the office of the Paying Agent.
6. As long as any Certificates are listed on the Irish Stock Exchange and traded on the Main Securities Market, any financial statements of the Issuer which are published will be made available at the offices of the Paying Agent as soon as they are published. The Issuer does not prepare interim accounts.
7. The Issuer does not intend to provide post-issuance information.
8. Since incorporation the Issuer has not commenced trading, established any accounts or declared any dividends, except for the transactions described herein.
9. The Issuer intends that some Series of Certificates will be accepted for clearance through the Euroclear and Clearstream, Luxembourg systems. The Common Code and the International Securities Identification Number (ISIN) (if any) for each Series of Certificates will be set out in the relevant Final Terms.

FORM OF APPLICABLE FINAL TERMS

Set out below is the form of Final Terms which will be completed for each issue of Series of Certificates.

Final Terms dated [●]

Weser Capital Limited
Issue of [AGGREGATE NOMINAL AMOUNT OF SERIES] [TITLE OF CERTIFICATES]
under the
Certificates Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 29 June 2012 [and the supplemental Base Prospectus dated [●]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC), as amended (the “**Prospectus Directive**”). This document constitutes the Final Terms of the Certificates described herein for the purposes of Article 5.4. of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Certificates is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. The Base Prospectus [and the supplemental Base Prospectus] [is] [are] available for viewing at [●] [[and] during normal business hours at [●] [and copies may be obtained from [●]].

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or subparagraphs. Italics denote guidance for completing the Final Terms.]

[When completing final terms or adding any other final terms or information consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]

The Certificates issued by the Issuer will be subject to the Conditions and also to the following terms (such terms, together with any schedules or annexes hereto, the “**Final Terms**”) in relation to the Certificates.

[Italics and footnotes herein denote guidance for completing the Final Terms and should be deleted prior to completing these Final Terms.]

(Note: Headings are for ease of reference only.)

- | | | |
|---|--|---|
| 1 | Series Number: | [●] |
| 2 | Issue Date: | [●] |
| 3 | Maturity Date: | [Specify date] |
| 4 | Aggregate nominal amount of Certificates to be issued in the Series: | [●] |
| 5 | Issue Price: | [●] per cent. of the Aggregate nominal amount |

- | | | |
|----|---|---|
| 6 | Maximum number of Certificates in the Series: | [●] |
| 7 | Amount payable per Certificate (at Issue Date): | [●] |
| 8 | Dealer purchase price (at Issue Date): | [Item 6 x item 7] |
| 9 | Number of Certificates to be repurchased by the Issuer (at Issue Date): | [●] |
| 10 | Issuer repurchase price (purchase price of the Custodian Certificates) (at Issue Date): | [Item 9 x item 7] |
| 11 | Status of the Certificates: | [Secured]/[Unsecured] |
| 12 | (A) [If Secured]: | |
| | Mortgaged Property: | Shares ¹ |
| | (i) Collateral – Shares | The Shares shall comprise, on any date, a number of units in the Company equal to the number of Certificates in issue on such date and not otherwise repurchased by the Issuer and held by the Certificate Custodian. |
| | | Company: [Name] |
| | | Asset: [Shares in the Company] / [specify other <i>interests, membership interests or securities in the Company</i>] |
| | | Address: |
| | | Country of Incorporation: |
| | | Governing Law: |
| | | General Description of the Company: |
| | | Expiry/Maturity Date (if applicable): |
| | | Business Activities: |
| | | Listed on the following stock exchanges: [Regulated Market– for any issuances under the Prospectus Directive] |

¹ Final Terms will only be used for issuances under the Prospectus Directive where the Shares are listed on a Regulated market.

(B) [If Unsecured]:

Underlying Series
Property: Shares¹

(i) Underlying Assets –
Shares The Shares shall comprise, on any date,
a number of units in the Company equal
to the number of Certificates in issue on
such date and not otherwise repurchased
by the Issuer and held by the Certificate
Custodian.

Company: [Name]
Asset: [Shares in the
Company] / [specify
other *interests*,
membership
interests or
securities in the
Company]

Address:

Country of Incorporation:

Governing Law:

General Description of the Company:

Expiry/Maturity Date (if applicable):

Business Activities:

Listed on the following

stock exchanges: *[Regulated Market–
for any issuances
under the
Prospectus
Directive]*

*For issuances under the
Prospectus Directive for both
Secured Certificates and
Unsecured Certificates the
following disclosure is required:*

*Description of the market on which the
Shares are traded – [EU Regulated Market]*

Date of establishment of the market – []

How price information is published – []

Indication of Daily Trading Volumes – []

*Information as to the standing of the market
in the country – []*

*The name of the markets regulatory
authority – []*

13 Parties for the Company [Specify]

(i) Company Administrator [Specify]

- (ii) Company Manager [Specify]
- (iii) Company Trading Adviser [Specify]
- (iv) Company Commodity Broker [Specify]
- (v) Other parties [Specify]

PROVISIONS RELATING TO REDEMPTION

- 14 Company Business Day: [Specify] [place(s)]
- 15 Other Relevant Agreements: [Not Applicable]/[[specify details]]
- 16 Other Series Transaction Parties: [Not Applicable]/[[specify details]]
- 17 Issuer has the right to redeem Certificates in its sole discretion: [Not Applicable]/[[specify details]]
- 18 Other Early Termination Events: [Not Applicable]/[[specify details]]
- 19 Other final terms: [Not Applicable]/[[specify details]]

(When adding any other final terms consideration should be given as to whether such terms constitute a “significant new factor” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)

- 20 Agents:
 - (i) Calculation Agent: [Specify name and address]
 - (ii) Paying Agent: [Specify name and address]
 - [(iii) Additional Paying Agent(s):] [Specify name and address]
 - (iv) Registrar: [Specify name and address]
 - (v) Transfer Agent(s): [Specify name and address]

- 21 [Transaction Fees] [specify]
- 22 Other terms: [Not Applicable]/[[specify details]]

DISTRIBUTION

- 23 Certificates cleared through a clearing system [Not Applicable]/[Specify clearing systems]
- 24 Additional selling restrictions: [Not Applicable]/[[specify details]]

[PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and admission to trading on the [specify relevant regulated market] of the Certificates described herein pursuant to the Weser Capital Limited Certificate Programme of 29 June 2012.]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. [[Insert relevant third party information] has been extracted from [specify source]. The

Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of **WESER CAPITAL LIMITED**:

By:
Duly authorised

Signed on behalf of **WESER CAPITAL LIMITED**:

By:
Duly authorised

PART B – OTHER INFORMATION

LISTING

- (i) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Certificates to be admitted to trading on the [Irish Stock Exchange on its regulated market] [other] with effect from [●].] [Application is expected to be made by the Issuer (or on its behalf) to the [Irish Stock Exchange for the Certificates to be admitted to trading on its regulated market] [other] with effect from [●].]
- (ii) Estimate of total expenses [●] [●]
related to admission to trading:

[INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER]

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

“Save as discussed in [“Subscription and Sale”], so far as the Issuer is aware, no person involved in the offer of the Certificates has an interest material to the offer.”]

[(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)]

[REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS

- [(i) Reasons for the offer: [●]
(See (“Use of Proceeds”) wording in Base Prospectus - if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)]

- [(ii) Estimated net proceeds: [●]]

OPERATIONAL INFORMATION

Delivery: Delivery [against][free of] payment

ISIN Code []

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Jersey JE1 0BD

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One Canada Square
London E14 5AL

PAYING AGENT AND TRANSFER AGENT

The Bank of New York Mellon, London Branch
One Canada Square
London E14 5AL

REGISTRAR

The Bank of New York Mellon (Luxembourg) S.A.
Vertigo Building
Polaris
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L-2453 Luxembourg

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