

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this Document, or the action you should take, you are recommended immediately to seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant, fund manager or other independent financial adviser authorised under the Financial Services Act 2008 if you are in the Isle of Man or under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities. If you are resident outside of the Isle of Man or the United Kingdom you should contact another appropriately authorised independent financial adviser.

Copies of this Document are being sent to Shareholders. If you have sold or otherwise transferred all of your ordinary shares in Port Erin Biopharma Investments Limited please forward this Document and the accompanying form of proxy on at once to the purchaser or transferee or to the stockbroker or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee. If you have sold or transferred part only of your holding in ordinary shares in Port Erin Biopharma Investments Limited you should retain this Document and consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

The distribution of this Document in jurisdictions other than the UK or the Isle of Man may be restricted by law and therefore persons into whose possession this Document comes should inform themselves about and observe such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Your attention, in particular, is drawn to Paragraph 9 of Part I of this Document which sets out and describes certain risk factors that you should consider carefully when deciding whether or not to vote in favour of the Resolutions proposed at the General Meeting. The whole of this Document should be read in the light of these risk factors.

This Document does not constitute any offer to issue or sell or a solicitation of any offer to subscribe for or buy ordinary shares in Port Erin Biopharma Investments Limited.

Port Erin Biopharma Investments Limited

(Incorporated and registered in the Isle of Man under the Companies Act 2006 with registered number 006874V)

NOTICE OF GENERAL MEETING

Proposed Change of Investing Policy to allow an *in specie* investment into a UCITS Fund

Notice of a General Meeting of the Company to be held at 10.00 a.m. GMT at The Sanderson Suite, The Claremont Hotel, 18-22 Loch Promenade, Douglas, Isle of Man, IM1 2LX on Monday 11 November 2013 is set out at the end of this Document.

A Form of Proxy for holders of Ordinary Shares for use at the General Meeting accompanies this Document and, to be valid, must be completed and returned to Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU as soon as possible but in any event received not later than 10.00 a.m. GMT on 9 November 2013 or 48 hours before any adjourned meeting. Completion of a Form of Proxy will not preclude a Shareholder from attending and voting at the General Meeting in person.

A summary of the action to be taken by Shareholders of the Company is set out on page 15 and in the notice of General Meeting set out at the end of this Document. The return of one or more completed Forms of Proxy will not prevent you from attending the General Meeting and voting in person if you wish to do so (and are so entitled).

CONTENTS

	<i>Page</i>
Directors and Advisers.....	3
Market Statistics and Timetable	4
Definitions.....	5
Part I	
1. Background and Information.....	8
2. The Strategic Review.....	8
3. Proposed Exchange of Assets for Shares in the Fund.....	9
4. Summary of the material terms of the Subscription	10
5. Proposed Distribution Following Expiry of Lock-in Period	10
6. The New Investing Policy	11
7. The Fund.....	12
8. Status of the Company Post-Subscription.....	13
9. Risk Factors.....	13
10. General Meeting	14
11. Related Party Transaction.....	14
12. Action to be taken by Shareholders.....	15
13. Recommendation	15
Appendix I New Investing Policy	16
Appendix II Magna Biopharma Income Fund – Supplement 13 to the Prospectus of Magna Umbrella Fund plc.....	17
Part II Notice of General Meeting	29
Form of Proxy	

DIRECTORS AND ADVISERS

Directors	James Mellon (<i>Non-Executive Chairman</i>) Denham Eke (<i>Finance Director</i>) Anderson Whamond (<i>Non-executive Director</i>)
Registered Agent	Greystone Trust Company Limited 18 Athol Street Douglas Isle of Man IM1 1JA
Registered Office and Operating Address	18 Athol Street Douglas Isle of Man IM1 1JA
Telephone number and website	Tel: +44 (0)1624 639396 www.porterinbiopharma.com
Nominated Adviser	Libertas Capital Corporate Finance Limited 110 Fenchurch Street London EC3M 5JT
Broker	Peterhouse Corporate Finance Limited 31 Lombard Street London EC3V 9BQ
Legal Counsel to the Company as to Isle of Man law	Long & Humphrey The Old Courthouse Athol Street Douglas Isle of Man IM1 1LD
Solicitors to the Company as to English law	Kerman & Co LLP 200 Strand London WC2R 1DJ
Auditor	KPMG Audit LLC Heritage Court 41 Athol Street Douglas Isle of Man IM99 1HN
Registrar	Capita Registrars (Isle of Man) Limited Clinch's House Lord Street Isle of Man IM99 1RZ

MARKET STATISTICS

Number of issued Ordinary Shares	33,864,836
Price of Ordinary Shares as at 30 September 2013	15.00 pence
Net Asset Value per Ordinary Share as at 30 September 2013	17.13 pence
AIM symbol	PEBI
International Security Identification Number (“ISIN”)	IM00B6QH1J21
SEDOL	B6QH1J2

TIMETABLE

Publication of this Document	24 October 2013
Latest time and date for receipt of Forms of Proxy	10.00 a.m. on 9 November 2013
General Meeting	10.00 a.m. on 11 November 2013

DEFINITIONS

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

“ Admission ”	admission of the Company to AIM;
“ Admission Document ”	the admission document of the Company dated 9 September 2011, available on the Company’s website at www.porterinbiopharma.com ;
“ AIM ”	the AIM Market operated by London Stock Exchange PLC;
“ AIM Rules for Companies ”	the rules of the London Stock Exchange governing admission to, and operation of, AIM and comprising the AIM Rules for Companies and the AIM Rules for Nominated Advisers;
“ Biopharma Sector ”	the Biopharma Sector includes, but is not limited to, companies that are primarily focused on biotechnology and pharmaceutical activities. Activities for the purposes of this definition include the research, development, manufacture and distribution of various biotechnological or pharmaceutical products, services, processes and closely related support industries. This includes contract research organisations (CROs), contract manufacturing organisations (CMOs) and companies involved with genomics, genetic engineering and gene therapy. Further it may include companies involved in the application of biotechnological and pharmaceutical products in areas such as health care and agriculture;
“ Company NAV Value ”	the net asset value of the Investment Portfolio from time-to-time, as announced by the Company on a quarterly basis;
“ Completion Date ”	subject to approval by Shareholders at the General Meeting, the date on which the Subscription is competed;
“ Directors ” or the “ Board ”	the directors of the Company whose names are set out on page 3 of this Document;
“ Discount ”	the difference from time-to-time between the implied value of the Ordinary Shares based on the Company NAV Value, and the actual price of the Ordinary Shares on AIM;
“ Distribution ”	the proposed dividend <i>in specie</i> , share buy-back or other return of capital or distribution by the Company, of some or all of the Fund Shares owned by the Company in November 2014 (not earlier than the expiry of the Lock-in Period);
“ Form of Proxy ”	the form of proxy for use by the Shareholders in connection with the General Meeting;
“ Fund ” or “ Magna Biopharma Income Fund ”	means Magna Biopharma Income Fund, a sub-fund of Magna Umbrella Fund plc;
“ Fund Custodian ”	the custodian of the Fund, being BNY Mellon Trust Company (Ireland) Limited, Guild House, Guild Street, Dublin 1, Ireland;
“ Fund Management Fee ”	the fund management fee due to Investment Manager from the Fund;

“Fund Shares”	shares in the Fund which take the form of “N Acc Class Shares”, which have an initial value of €10 (further details of N Acc Class are set out in the Magna Prospectus);
“General Meeting”	the general meeting of the Company to be held at 10.00 a.m. GMT at The Sanderson Suite, The Claremont Hotel, 18-22 Loch Promenade, Douglas, Isle of Man, IM1 2LX on 11 November 2013 is set out at the end of this Document.
“Independent Director”	Mr Denham Eke;
“Investing Policy”	the Investing Policy of the Company since Admission, the terms of which are set out at paragraph 6 of this Document;
“Investment Adviser”	Mann Bioinvest Limited, a company incorporated in the Isle of Man whose registered address is at Viking House, Nelson Street, Douglas, Isle of Man, IM1 2AH, British Isles, further details of which are available at www.mannbio.com ;
“Investment Manager”	Charlemagne Capital (IOM) Limited, a company incorporated in the Isle of Man whose registered address is at St. Mary’s Court, 20 Hill Street, Douglas, Isle of Man, IM1 1EU, British Isles;
“Investment Portfolio”	the portfolio of short and medium term investment assets held by the Company from time-to-time;
“Lock-in Period”	12 months from the Completion Date;
“Magna Prospectus”	means the prospectus of the Magna Umbrella Fund, dated 20 June 2013 together with Supplement 13, dated 9 September 2013, relating to the Magna Biopharma Income Fund (Supplement 13 attached at Appendix II for ease of reference);
“Magna Umbrella Fund”	Magna Umbrella Fund plc, an open-ended umbrella type investment company authorised as a UCITS pursuant to the UCITS Regulations with segregated liability between sub-funds;
“Management Fee”	fees due under the Management Agreement with Shellbay Limited, to be satisfied by the issue of such number of Ordinary Shares equivalent to 15 per cent. of any increase, subject to a “high-water mark”, in the Net Asset Value of the Company over each quarterly period;
“Management Agreement”	the services agreement between Shellbay and the Company dated 6 May 2011 under the terms of which Shellbay provides the services of Mr James Mellon as Non-Executive Chairman of the Company;
“N Acc Class Shares”	means the Fund shares where net income is automatically reinvested and is reflected either in the value of the units or in additional units being allocated. N Acc Class Shares are being offered to Port Erin as “Subscription Shares” at an initial price of €10 or the equivalent thereof GBP;
“New Investing Policy”	the proposed new investing policy of the Company to be considered, and if thought fit, adopted by Shareholders at the General Meeting (the terms of which are set out at Appendix I of the Notice) in order to allow the Company to complete the Subscription;

“Notice”	the notice of the General Meeting set out at Part II of this Document;
“Ordinary Shares”	the ordinary shares in the capital of the Company, with a par value of 0.0001 pence;
“Port Erin” or the “Company”	Port Erin Biopharma Investments Limited, a public limited company incorporated in the Isle of Man under the Isle of Man Companies Act 2006 with registration number 006874V;
“Resolutions”	the resolutions set out in the Notice to be proposed at the General Meeting to approve, <i>inter alia</i> , the New Investing Policy;
“September 2013 NAV Value”	the net asset value of the Company as at 30 September 2013;
“Shareholders”	holders of Ordinary Shares in the Company;
“Shellbay”	Shellbay Investments Limited, a company incorporated in the British Virgin Islands with company registration number 626429 and having its registered office at PO Box 438, Palmgrove House, Road Town, Tortola, British Virgin Islands, owned by a trust under which James Mellon is a life tenant;
“Subscription”	The subscription for the Subscription Shares in exchange for the Transfer Shares;
“Subscription Price”	the value of the Company’s Transfer Shares at the Completion Date as determined by the Custodian on behalf of the Fund directors;
“Subscription Shares”	such number of Fund Shares as the Company subscribes for based on the Subscription Price divided by the Sterling equivalent at the Completion date of €10, being the initial value of the Fund Shares;
“Transfer Shares”	the quoted shares in the Investment Portfolio that the Fund Custodian agrees to acquire on Completion Date;
“UCITS”	an Undertaking for Collective Investment in Transferable Securities, an open-ended fund governed by the rules and regulations of the UCITS Regulations; and
“UCITS Regulations”	Undertaking for Collective Investment in Transferable Securities authorised under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011.

PART I

LETTER FROM THE INDEPENDENT DIRECTOR

Port Erin Biopharma Investments Limited

(Incorporated and registered in the Isle of Man under the Companies Act 2006 with registered number 006874V)

Directors:

James Mellon (*Non-Executive Chairman*)
Denham Eke (*Finance Director*)
Anderson Whamond (*Non-Executive Director*)

Registered office:

18 Athol Street
Douglas
Isle of Man
IM1 1JA

24 October 2013

To the holders of existing Ordinary Shares

Dear Shareholder,

Notice of General Meeting

1. Background and Information

Port Erin was incorporated on 3 May 2011 under the law of the Isle of Man, and was admitted to AIM on 15 September 2011 for the purpose of investing in the biotechnology and biopharmaceutical sector. The Company's strategy is to create value for Shareholders through investing in companies that have the potential to generate substantial revenues through the development of biopharmaceutical drugs.

The Company's Non-Executive Chairman is James Mellon, who has had a long and successful career in the fund management industry. The Company's stated strategy is to co-invest, wherever possible, alongside Mr Mellon in investments that he has identified, focusing on investing in biotechnology and biopharmaceutical companies operating on the West Coast of the United States of America, where many biotech companies are based. Details of the process by which Mr Mellon (and the Company as the case may be) identifies investment opportunities, and the process by which an investment is completed, were set out in Part I of the Company's AIM Admission Document.

At the time of Admission, the investment strategy of the Company was based on the Directors' continuing belief that recent progress in medical research is opening up opportunities for biopharmaceutical companies to develop new treatments for many of the diseases that impact on life expectancy and life quality. The full text of the Company's Investing Policy is set out at paragraph 6 of this Document.

Since Admission in September 2011, the Company has implemented the Investing Policy, having invested in aggregate £2.7 million (being the cash available after listing costs), which has led to an increase in the value of assets under management of nearly 114 per cent. as at 30 September 2013.

2. The Strategic Review

Despite the strong performance of the Company in difficult economic conditions, the price of the Company's Ordinary Shares on AIM has languished significantly below the implied value of the Company's assets on a per share basis (the "Discount"). On 18 October 2013, the Company released its Net Asset Value statement for the period to 30 September 2013. Based on the market value of

the current assets as at 30 September 2013, and the closing price of the Ordinary Shares of the Company on the AIM Market of London Stock Exchange on 23 October 2013 of 14.5 pence (being the latest practicable date prior to the printing of this Circular), the Ordinary Shares trade at a discount to the net asset value of the Company's assets of approximately 15.4 per cent.

This Discount has continued to frustrate Shareholders and Directors, and various options for reducing or eliminating the Discount have been formally considered by the Directors and advisers during the three months prior to the date of this Document as part of a strategic review.

The strategic review has focused on possible transactions by the Company to achieve three key stated goals:

- (i) significantly reducing or eliminating the Discount;
- (ii) retaining equal or greater liquidity for Shareholders (in the short to medium term); and
- (iii) retaining exposure to the potential future upside (and downside) on the current Investment Portfolio.

The Board has now completed its strategic review, and has decided to put forward proposals to Shareholders to change the Company's Investing Policy to allow up to 100 per cent. of the assets it holds in its Investment Portfolio to comprise Fund Shares of the Magna Biopharma Income Fund. Subject to the change of investing policy being approved, the Company proposes to exchange eligible assets in its current Investment Portfolio for shares in the Fund, by way of an *in specie* subscription.

The Magna Biopharma Income Fund will adopt a similar investing policy to the Company by investing in the biotechnology and biopharmaceutical sectors. Further details of the Fund are set out in Appendix II to this Document.

This Document sets out details of the proposals that are being put to Shareholders at a General Meeting of the Company to be held on at 10.00 a.m. GMT on 11 November 2013 in order to achieve these goals and sets out why the Independent Director considers that the proposals are in the best interests of the Company and its Shareholders as a whole.

3. Proposed Exchange of Assets for Shares in the Fund

Following the strategic review, the Directors entered negotiations with the Investment Manager in relation to Magna Biopharma Income Fund, a sub-fund of the Magna Umbrella Fund, a "UCITS" fund based in the Republic of Ireland and authorised by the Central Bank of Ireland, to transfer most if not all of the shares held in the Company's Investment Portfolio to the Magna Biopharma Income Fund in exchange for new Fund Shares. The Company plans to retain sufficient working capital to cover its overheads for a period of at least one year.

All the eligible quoted assets of the Company ("**Transfer Shares**") will be exchanged for new shares in the Fund ("**Subscription Shares**"). The Subscription Price will be based on the value of the Transfer Shares at the Completion Date, at the mid-market price as determined by the Fund Custodian on behalf of the Fund's directors. In consideration the Company will receive the Subscription Shares, each valued at the sterling equivalent of €10.00. The motivation for the transaction is that as a UCITS fund, the Fund offers daily liquidity at net asset value.

The Company has agreed to hold at least 75 per cent. of the Subscription Shares for a minimum period of one year (the "**Lock-in Period**"). During this period, the Ordinary Shares of the Company will continue to be admitted to AIM and Shareholders will continue to be able to trade their Ordinary Shares in the market. For such time as the Fund continues to hold the assets comprising the Investment Portfolio (and the Company holds some or all of the Subscription Shares), Shareholders will continue to benefit from any upside appreciation of the Investment Portfolio. In addition, the Company will be able to continue to invest in shares that meet the Company's Investing Policy but are not eligible investments as far as the Fund is concerned.

At the end of the Lock-in Period, the Directors intend to put further proposals to return value to Shareholders, either by transferring the Fund's shares as a dividend distribution, share buy-back or other de-merger of assets (each a "**Distribution**"), in order to realise value for Shareholders based on the then proportional NAV of the Fund held by the Company. By transferring the Company's Investment Portfolio to the Fund, the Company will be able to transfer or sell the Subscription Shares at the end of the Lock-in Period at a price based on the NAV of the Fund and thereby procure a better return to all Shareholders.

On 18 October 2013, the Company received conditional approval from the Fund that the Transfer Shares would be eligible investments under the Fund's investing mandate, subject to meeting the UCITS investment restrictions. Any holdings which cannot be transferred immediately under these restrictions will be transferred to the Fund at the prevailing Fund share price as and when Directors deem appropriate. Subject to Shareholder approval of the New Investing Policy, the Company will execute the *in specie* purchase of Subscription Shares via an application form in exchange for the Transfer Shares.

The Company will only obtain formal confirmation of which shares in the Investment Portfolio will be eligible to be Transfer Shares by the Fund Custodian on behalf of the Fund's directors on the Completion Date. The Fund Custodian will also value the Transfer Shares at the Completion Date at the mid-market price for the quoted investments. Accordingly, as at the date of this Document the Company cannot confirm the number of Subscription Shares it would receive. The Company believes that the Fund would calculate the value of the shares transferred on not worse terms than currently calculated by the Company. Shares in the Investment Portfolio that are not eligible to be transferred will be retained by the Company and may be sold by the Company or transferred into the Fund at a later date in the event that they do become eligible.

Completion of the Subscription by the Company in the Fund is subject to the Shareholders adopting a New Investing Policy at a general meeting of the Company as the Company's current Investing Policy does not permit any asset or investment to constitute more than 10 per cent. of the Company's Investment Portfolio at the time of investment and can only invest up to 40 per cent. of its assets in unquoted investments. On completion of the Subscription, it is anticipated that, excluding cash, the Subscription Shares will constitute up to 100 per cent. of the Company's assets comprising its Investment Portfolio.

4. Summary of the material terms of the Subscription

Under the terms of the Subscription, which is subject to the approval of the resolution by Shareholders to adopt the New Investing Policy:

- (i) the Company shall subscribe for the Subscription Shares at a price per Fund Share of the sterling equivalent of €10.00. Any subsequent subscriptions will be made at the NAV on the relevant dealing day;
- (ii) as consideration for the Subscription, the Company shall transfer to the Fund the Transfer Shares representing up to 100 per cent. of the Investment Portfolio; and
- (iii) the Company shall be restricted from selling, transferring, distributing, redeeming or otherwise disposing of the Subscription Shares under its control for 12 months following the Completion Date (the "**Lock-in Period**").

5. Proposed Distribution Following Expiry of Lock-in Period

The primary purpose of the investment is to reduce or eliminate the Discount between the net asset value of the Company's Investment Portfolio, and the price of the Ordinary Shares trading on AIM.

Whilst the Directors do not believe the Subscription will materially impact on the Company's share price on AIM immediately following the Subscription, the Directors believe that, following expiry of the Lock-in Period, a scheme to return value to Shareholders, whether by *in specie* dividend,

share buy-back or other de-merger of assets, will realise value for Shareholders equivalent to the then proportional NAV of the Fund held by the Company.

At this time the Directors cannot confirm the exact mechanism for the proposed distribution to Shareholders, as a number of factors (including commercial, tax driven and regulatory) will need to be considered closer to the time of the expiry of the Lock-in Period. However, at the end of the Lock-in Period, the Directors intend to put forward proposals to Shareholders to either transfer the Subscription Shares to the Company's Shareholders on a *pro rata* basis, or to sell the Subscription Shares on behalf of the Company's Shareholders and distribute the cash proceeds to Shareholders, depending on an election. The Directors will make further announcements regarding the proposed Distribution once the mechanism had been determined.

The proposed Distribution would, when completed, constitute a "disposal resulting in a fundamental change of business" under Rule 15 of the AIM Rules for Companies, and would therefore also be subject to Shareholder approval.

6. The New Investing Policy

The Company's Investing Policy from the date of this Circular is set out below:

The Company aims to establish a portfolio of 20 to 25 investments in biotechnology and biopharmaceutical companies. The majority of these companies are likely to be based in the US where the industry is centred. The Company will invest in both quoted companies, which offer the benefits of liquidity and also in unquoted companies which offer the attraction of additional capital gains upon completion of a successful IPO. The Company will be a passive investor.

Because of the high risk nature of investment in companies engaged in drug discovery and development, the Company will restrict the amount invested in any one company to an amount not exceeding 10 per cent. of the Net Asset Value of the Company at the time of investment.

In order to ensure that it has some liquidity in order to release funds if needed for a given investment, the Company will invest a maximum of 40 per cent. of its Net Asset Value at the time of making its final unquoted investment in unquoted investments.

The Company aims to deliver capital growth by realising capital gains when it considers that the valuation of individual investments looks to be excessive or, as is often the case in this sector, as a result of trade sales. The Directors expect that the Investing Policy can be substantially implemented within 18 months of Admission.

Assets and investments will be held by the Company directly or through the individual share custodians of the brokers used by the Company to acquire the shares.

Any material variation to the Investing Policy will require the approval of Shareholders at a general meeting of the Company in accordance with the AIM Rules for Companies.

To complete the Subscription, the Company must however adopt the New Investing Policy, permitting the Company to hold assets in the Investment Portfolio from time-to-time that comprise more than 10 per cent. of net asset value of the Company, and allowing the Company to hold substantially all of its investments through an UCITS fund. The terms of the proposed New Investing Policy are set out below:

The Company will invest in the Biopharma Sector and will establish a portfolio of investments in biotechnology and biopharmaceutical companies.

The Company will invest in equity and equity related products in both quoted companies, which offer the benefits of liquidity, and in unquoted companies which offer the attraction of additional capital gains upon completion of a successful IPO.

The Company may also invest in shares of collective investment schemes ("UCITS") with exposure to the Biopharma Sector and in long-term equity participation securities the underlying

securities of which will be based on Biopharma Sector securities and/or indices relating to the Biopharma Sector. The Company may invest in Biopharma Sector debt. Investments in Biopharma Sector debt shall not exceed 15 per cent. of the Net Asset Value of the Company.

The Company will be ungeared and will be a passive investor.

The Company aims to deliver capital growth by realising capital gains when it considers that the valuation of individual investments looks to be excessive or, as is often the case in this sector, as a result of trade sales.

Assets and investments will be held by the Company directly or through the individual share custodians of the brokers used by the Company to acquire the shares.

Any material variation to the Investing Policy will require the approval of Shareholders at a general meeting of the Company in accordance with the AIM Rules for Companies.

7. The Fund

Magna Biopharma Income Fund is a sub-fund of the Magna Umbrella Fund plc, an open-ended variable capital umbrella investment company with limited liability and segregated liability between its sub-funds incorporated in Ireland on 15 December 1997 and authorised on 5 March 1998 by the Central Bank of Ireland, pursuant to the European Communities (UCITS) Regulations 1989 which have since been replaced by the European Communities (UCITS) Regulations 2011, and quoted on the Irish Stock Exchange. As well as the Magna Biopharma Income Fund, the Central Bank has authorised the following as sub-funds of the Company: Magna Eastern European Fund, Magna Russia Fund, Magna Global Emerging Markets Fund, Magna Turkey Fund, Magna Latin American Fund, Magna Africa Fund, Magna MENA Fund, Magna Undervalued Assets Fund, Magna Emerging Markets Dividend Fund, and Magna New Frontiers Fund (each a “Fund”, together the “Funds”).

The Magna Biopharma Income Fund was approved on 21 December 2012 with the purpose of making investments in the Biopharma Sector. The Investment Manager for the Fund is Charlemagne Capital (IOM) Limited which is a company incorporated in the Isle of Man whose registered address is at St. Mary’s Court, 20 Hill Street, Douglas, Isle of Man, IM1 1EU, British Isles and a subsidiary of Charlemagne Capital Limited, which is quoted on the AIM market. The Investment Adviser to Charlemagne Capital (IOM) Limited is Mann Bioinvest Limited, in which Jim Mellon has a controlling interest.

The Investment Objective of the Fund is to seek growing income distributions with capital appreciation potential in the long term by investing in a diversified portfolio of Biopharma Sector securities.

Fees payable by the Fund

The Fund shall pay to the Investment Manager a management fee equal to 1.0 per cent. of assets under management. In addition, the Investment Manager shall receive a performance fee equal to 10 per cent. of the return on the Subscription Shares in excess of the percentage return on the MSCI World Health Care Net EUR Index. The performance fee is payable annually in arrears in respect of each accounting period. Each accounting period will end on 31 December each year.

The Fund charges the costs of running the fund, including the costs of marketing and distributing it. These charges reduce the potential growth of Fund’s investments. The on-going charges have been estimated at 3.67 per cent. per annum. This figure may vary from year to year.

Further details of the Fund, including the Investment Policy, Investment Strategy and Asset Allocation, are set out at Appendix II of this Document.

The Investment Manager has determined that the Investing Portfolio is of the type and nature of investment that meets its investing mandate, and believes offers potential future capital growth and income.

8. Status of the Company Post-Subscription

Following the completion of the Subscription, the Company will continue to be considered as an Investing Company under the AIM Rules for Companies.

In addition to the Subscription Shares (which would be subject to sale restrictions during the Lock-in Period), the Company would retain sufficient cash to pay professional expenses incurred by the Company in relation to the Subscription, as well as approximately £860,000 to provide working capital for the Company moving forward. It will also retain any shares in the Investment Portfolio that are not eligible for transfer into the Fund.

Under the terms of the Management Agreement, the Company is required to pay the Management Fee quarterly by issuing new Ordinary Shares to Shellbay at the closing offer price of the Company on 30 September 2013 on the basis of 15 per cent. of any increase in Net Asset Value from the previous “high watermark”. As Shellbay is a party indirectly related to James Mellon who is currently indirectly interested in 29.01 per cent. of the Company’s issued Ordinary Shares, no further Ordinary Shares can be issued to the manager *in lieu* of the Management Fee without triggering a requirement under Rule 9 of the Takeover Code for Shellbay to make an offer for the entire issued share capital of the Company. Accordingly, the Company has agreed that the Management Fee of £353,041 for the period to 30 September 2013 shall be settled by the transfer of sufficient Fund Shares from the Company to Shellbay (each with an implied price equal to the Subscription Price) in full and final settlement of the September 2013 Management Fee. Subject to the Subscription being completed, Shellbay has agreed that the current Management Agreement shall be amended from the Completion Date so that no further fees relating to the Fund Shares under the current Management Agreement shall be due and the current “high watermark” rebased to reflect the value of the assets remaining in the Company following the Subscription.

Save for the Management Fee, and professional fees linked to the Company’s listing on AIM, the Company has no other material liabilities outstanding at the date of this Document. Should the Subscription be completed, it is anticipated that the Company will have a year-end cash balance at 30 June 2014 of approximately £800,000, gross of any asset purchases made during the period.

Following the transfer of the shares to the Fund, the Company’s directors will seek further investments within the Biopharma Sector that in their belief offer the opportunity of attractive growth.

9. Risk Factors

In addition to the risk factors set out in the Admission Document and the Magna Prospectus, if the New Investing Policy is approved and the Subscription is completed, any investment in the Company would be subject to additional risks, including but not limited to:

Loss of Investment Control

Following the Subscription whereby substantially all of the Investment Portfolio will transferred to the Fund as consideration for the Fund Shares, management of these investments would no longer be the responsibility of the Company and Shellbay. As such, there is a risk that the Fund may sell or retain investments in circumstances where the Company would adopt a different course of action, or make investments that the Company does not agree with. The value of all investments can go up or down, but the loss of control over the performance of the Fund is a risk factor that could affect the performance of the Company and its NAV Value, and the value of the underlying Ordinary Shares.

Fees and Expenses

If the Subscription is completed, the Fund (which shall include all or part of the Investment Portfolio) will be liable for the Fund Management Fees of approximately 1 per cent. per annum of funds under management whereas the Company does not currently pay a management fee. The total administration costs (“Ongoing Charge”) are estimated by the Fund to be 3.67 per cent. per annum

of funds under management. In addition, the Fund performance fee is 10 per cent. of the return on the Subscription Shares in excess of the percentage return on the MSCI World Health Care Net EUR Index whereas the Company currently pays Shellbay 15 per cent. of the increase in Net Asset Value above a “high watermark”, measured on an absolute basis. Thus the Fund’s performance fee will be only payable on outperforming the sector as a whole, measured on a relative basis. Further details of the Fund Management Fees are set out in Appendix II to this Document.

The total administration costs of the Fund may be higher than the current fees payable by the Company in relation to the Investment Portfolio, and the payment of these fees will impact on the performance of the Fund, and consequently the performance of the Company and its share price. Whilst the Company will no longer pay a management fee to Shellbay based on the performance of the Fund Shares, Shareholders will still need to bear the costs of maintaining the Company’s AIM listing and having sufficient cash for 12 months working capital until such time as the Distribution has taken place.

Foreign Currency Exchange Risk

As the Company’s Investment Portfolio is denominated in sterling and the Fund’s shares are denominated in Euros, there is the likelihood of an exchange risk in currency conversion.

10. General Meeting

The Company is required under the AIM Rules for Companies to seek Shareholder approval for any material change in its Investing Policy. The General Meeting is therefore being convened for the purpose of considering, and if thought fit, approving the adoption of the New Investing Policy so that the Company can complete the Subscription. The Annual Report for the year ended 30 June 2013 is enclosed with this Circular, and two further resolutions will be proposed to approve the Annual Report and to reappoint the auditors to the Company.

You will find at page 29 of this Document a notice convening the General Meeting to be held at 10.00 a.m. GMT at The Sanderson Suite, The Claremont Hotel, 18-22 Loch Promenade, Douglas, Isle of Man, IM1 2LX on 11 November 2013 at which the following Resolutions will be put to Shareholders.

Resolution 1

THAT the new investing policy, as set out at Appendix I of this Notice (the “***New Investing Policy***”), be approved and adopted by the Company (in substitution of the previous investing policy) and that the Directors of the Company be authorised to take all such steps as any of them may consider necessary or desirable to implement the New Investing Policy.

Resolution 2

THAT the Directors’ report and annual financial statements of the Company for the year ended 30 June 2013 be approved by the Company.

Resolution 3

THAT KPMG Audit LLC be appointed as auditors to the Company until the conclusion of the next general meeting at which accounts are laid before the Company.

11. Related Party Transaction

Mr James Mellon, the Non-Executive Chairman of the Company is interested both in the Investment Manager and the Investment Advisor. In addition, Mr Anderson Whamond, a Non-Executive Director of the Company is on the board of the Magna Umbrella Fund plc. Accordingly, the transaction is deemed to be a related party transaction for the purposes of Rule 13 of the AIM Rules for Companies.

Mr Denham Eke is the Independent Director for the purposes of the Subscription. Mr Eke is the Finance Director of the Company. Mr Eke, having consulted with Libertas Capital Corporate

Finance Limited, the Company's nominated adviser, considers the terms of the Subscription to be fair and reasonable insofar as the Company's Shareholders are concerned.

12. Action to be taken by Shareholders

Shareholders will find enclosed with this Document a Form of Proxy for use at the General Meeting. Whether or not you intend to be present at the meeting, you are requested to complete, sign and return your Form of Proxy to **Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU**, as soon as possible but, in any event, so as to arrive no later than 10.00 a.m. GMT on 9 November 2013. The completion and return of a Form of Proxy will not preclude you from attending the General Meeting and voting in person should you wish to do so.

13. Recommendation

Following the strategic review by the Directors, the Subscription was determined to be the best way of realising the three stated goals:

(i) ***Significantly reducing or eliminating the Discount***

The Subscription Price payable by the Company is based on NAV Value. Following expiry of the Lock-in Period the Directors will take steps to complete the Distribution, thereby significantly reducing the Discount suffered by Shareholders.

(ii) ***Retaining equal or greater liquidity for Shareholders (in the short to medium term)***

The Fund is required under the terms of its constitution, and by its regulators as a UCITS fund, to redeem Fund Shares from Fund Members on 24 hours' notice, at the most recent net asset value of the Fund determined by the Custodians on a daily basis. Further details of the Fund, including the Redemption process, are set out at Appendix II of this Document. Following the Lock-in Period and the Distribution, those of the Company's shareholders who elect to receive shares in the Fund will be able to participate in this liquidity.

(iii) ***Retaining exposure to the potential future upside (and downside) on the current Investment Portfolio***

As the Company is unable to dispose of 75 per cent. of the Fund Shares for the duration of the Lock-in Period, the value of the Fund Shares during this time can go up, or down. The Directors believe all of the Portfolio Investments, together with the investment strategy of the Fund moving forward, have the potential to realise further profit for the Company, and are optimistic that by the time of expiry of the Lock-in Period, the value of the Fund Shares will have increased.

The attention of all Shareholders is directed to the Risk Factors set out in paragraph 9 of this Document, and the Directors stress that the value of the Fund Shares can go down as well as up during the Lock-in Period.

I, as the sole Independent Director, consider, having consulted with the Company's Nominated Adviser, Libertas Capital Corporate Finance Limited, that the terms of the Subscription are fair and reasonable insofar as shareholders are concerned. I therefore recommend that Shareholders vote in favour of the resolution to adopt the New Investing Policy to be proposed at the General Meeting as I intend to do in respect of the holdings of Ordinary Shares, representing 23.52 per cent. of the current issued share capital, in which I have an interest.

Yours faithfully,

Denham Eke
Independent Director

APPENDIX I

NEW INVESTING POLICY

The Company will invest in the Biopharma Sector and will establish a portfolio of investments in biotechnology and biopharmaceutical companies.

The Company will invest in equity and equity related products in both quoted companies, which offer the benefits of liquidity, and in unquoted companies which offer the attraction of additional capital gains upon completion of a successful IPO.

The Company may also invest in shares of collective investment schemes (“UCITS”) with exposure to the Biopharma Sector and in long-term equity participation securities the underlying securities of which will be based on Biopharma Sector securities and/or indices relating to the Biopharma Sector. The Company may invest in Biopharma Sector debt. Investments in Biopharma Sector debt shall not exceed 15 per cent. of the Net Asset Value of the Company.

The Company will be ungeared and will be a passive investor.

The Company aims to deliver capital growth by realising capital gains when it considers that the valuation of individual investments looks to be excessive or, as is often the case in this sector, as a result of trade sales.

Assets and investments will be held by the Company directly or through the individual share custodians of the brokers used by the Company to acquire the shares.

Any material variation to the Investing Policy will require the approval of Shareholders at a general meeting of the Company in accordance with the AIM Rules for Companies.

APPENDIX II

Magna Biopharma Income Fund Supplement 13 to the Prospectus of Magna Umbrella Fund plc

This Supplement contains information relating to Magna Biopharma Income Fund (the “Fund”), a fund of the Magna Umbrella Fund plc (the “Company”), an open-ended umbrella type investment company authorised as a UCITS pursuant to the UCITS Regulations with segregated liability between Funds.

This Supplement dated 9 September 2013 forms part of and should be read in the context of and in conjunction with the Prospectus for the Company dated the 20 June 2013 (the “Prospectus”).

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

Shareholders should note that the investment management fee and performance fee payable in respect of the Fund shall be charged to the capital of the Fund pursuant to Article 2 of the Articles. This will have the effect of lowering the capital value of your investment. Thus, on redemptions of Shares, Shareholders may not receive back the full amount invested. The policy of charging fees and expenses to capital seeks to maximise distributions.

A schedule of the Fund’s launch dates, listing dates and currency classes is detailed on pages 5 and 6 of the Prospectus. The Directors intend to make application for the admission of H Class Shares, N Acc Class Shares, N Dist Class Shares, R Acc Class Shares and R Dist Class Shares to the Official List and to trading on the Main Securities Market of the Irish Stock Exchange. The Directors do not expect that an active secondary market will develop in the Shares. No application has been made to list the Shares on any other exchange.

Definitions

The expressions below shall have the following meanings:

“ Business Day ”	Any day (except Saturday or Sunday) on which banks in New York, London and Dublin are generally open for business or such other day or days as may be determined by the Directors and notified in advance to the Shareholders.
“ Dealing Day ”	Each Business Day or such other day or days as may be determined by the Directors and notified to Shareholders in advance provided that there shall be at least one Dealing Day per fortnight in each month in accordance with the requirements of the Central Bank.
“ Investment Advisor ”	Mann Bioinvest Limited
“ Biopharma Sector ”	The Biopharma Sector includes, but is not limited to, companies that are primarily focused on biotechnology, pharmaceutical and medical device activities. Activities for the purposes of this definition include the research, development, manufacture and distribution of various biotechnological or

	<p>pharmaceutical products, services, processes and closely related support industries. This includes contract research organisations (CROs), contract manufacturing organisations (CMOs) and companies involved with genomics, genetic engineering and gene therapy. Further it may include companies involved in the application of biotechnological and pharmaceutical products in areas such as health care and agriculture.</p>
“Biopharma Sector Debt”	<p>Debt and other fixed income obligations (fixed or floating rate) of companies with interests predominantly in the Biopharma Sector.</p> <p>Debt and other fixed income obligations include, but are not limited to, freely transferable promissory notes, securitised bank debt such as senior bank loans and commercial paper and convertible securities such as convertible notes and convertible debentures. Convertible notes and convertible debentures may contain a derivative component and may be fixed or floating. Investment in bank loans will be limited to 10 per cent. of the Net Asset Value of the Fund.</p> <p>In accordance with the UCITS Regulations, no more than 10 per cent. of the net assets of the Fund will be invested in transferable securities which are not listed or traded on a Recognised Exchange. Such debt may be denominated in any freely transferable currency.</p> <p>Up to 15 per cent. of the Net Asset Value of the Fund may be invested in debt securities. These debt securities may be unrated or debt securities rated less than BB– by Standard & Poor’s.</p>
“Biopharma Sector Equities”	<p>Equity and equity related securities including Depository Receipts such as ADR’s and GDR’s, convertible securities such as convertible notes and convertible debentures which may embed derivatives, rights, warrants, low exercise price options, low strike price warrants and other financial instruments such as participation notes (which may embed derivatives) whose underlying assets are equity securities issued by or in relation to: (i) companies, collective investment schemes and other structures such as Exchange Traded Funds, Exchange Traded Notes, listed and unlisted Closed-ended funds, carrying out business predominantly in the Biopharma Sector (e.g., companies whose income is predominantly derived from the Biopharma Sector); (ii) companies whose business is relating to the Biopharma Sector; and (iii) companies whose primary business is to invest in companies or other investment vehicles involved in the Biopharma Sector. Other investment vehicles may include for example the NASDAQ Biotech Index Exchange Traded Fund (“ETF”), the MSCI World Healthcare Index ETF and Amex Drug Index ETF ((i), (ii) and (iii) together referred to as “Biopharma Companies”). In accordance with the UCITS Regulations, no more than 10 per cent. of the net assets of the Fund will be invested in transferable securities which are not listed or traded on a Recognised Exchange.</p>
“Biopharma Sector Securities”	<p>Biopharma Sector Debt and/or Biopharma Sector Equities.</p>

“H Class Shares”	The “H” Ordinary Class of Shares denominated in AUD of no par value in the capital of the Fund which may be subscribed for in AUD by investors and will rank <i>pari passu</i> in all respects except as to minimum subscription amount and percentage of annual fee payable to the Investment Manager and in respect of its distribution policy as more particularly outlined in the section of the Prospectus entitled “Dividends and Distributions”.
“N Acc Class Shares”	The “N Acc” Ordinary Class of Shares denominated in Euro of no par value in the capital of the Fund which may be subscribed for in Euro, AUD, CAD, GBP or USD (or such other currency as agreed in advance with the Administrator) by investors will rank <i>pari passu</i> in all respects except as to minimum subscription amount and percentage of annual fee payable to the Investment Manager.
“N Dist Class Shares”	The “N Dist” Ordinary Class of Shares denominated in Euro of no par value in the capital of the Fund which may be subscribed for in Euro, AUD, CAD, GBP or USD (or such other currency as agreed in advance with the Administrator) by investors will rank <i>pari passu</i> in all respects except as to minimum subscription amount, and percentage of annual fee payable to the Investment Manager and in respect of its distribution policy will be certified as a “reporting fund” as more particularly outlined in the section of the Prospectus entitled “Dividends and Distributions.”
“R Acc Class Shares”	The “R Acc” Ordinary Class of Shares denominated in Euro of no par value in the capital of the Fund which may be subscribed for in Euro, AUD, CAD, GBP or USD (or such other currency as agreed in advance with the Administrator) by investors will rank <i>pari passu</i> in all respects except as to minimum subscription amount and percentage of annual fee payable to the Investment Manager.
“R Dist Class Shares”	The “R Dist” Ordinary Class of Shares denominated in Euro of no par value in the capital of the Fund which may be subscribed for in Euro, AUD, CAD, GBP or USD (or such other currency as agreed in advance with the Administrator) by investors will rank <i>pari passu</i> in all respects except as to minimum subscription amount percentage of annual fee payable to the Investment Manager and in respect of its distribution policy will be certified as a “reporting fund” as more particularly outlined in the section of the Prospectus entitled “Dividends and Distributions.”
“Shares”	The H, N Acc, N Dist, R Acc and R Dist Class Shares or any of them.
“Valuation Point”	10.00 p.m. (Irish time) on each Business Day or such other time on such other day or days as the Directors may determine and notify to Shareholders by way of advance written notice provided always that the dealing deadline for receipt of subscriptions and redemptions is prior to the Valuation Point.

All other defined terms used in this Supplement shall have the same meaning as in the Prospectus.

The Net Asset Value per Share in respect of the N Acc, N Dist, R Acc, R Dist, and H Class Shares will be calculated Euro, the Base Currency of the Fund. The Administrator will effect a currency conversion calculation to also obtain and make available the Net Asset Value per Share, settlement and dealing in each of the N Acc, N Dist, R Acc and R Dist and H Class Shares in the relevant currency as appropriate at the prevailing exchange rates as selected by the Administrator in its absolute discretion. The cost and risk of converting currency will be borne by the investor.

Accumulation Shares – *N Acc and R Acc Class Shares*

The N Acc and R Acc Class Shares will be accumulating Classes and will not pay any distributions in respect of any Accounting Period or half-yearly accounting period.

Distribution Shares – *N Dist, R Dist and H Class Shares*

It is intended that dividends shall be declared in respect of the N Dist, R Dist and H Share Classes in respect of each Accounting Period and half-yearly accounting period. Any sums not distributed will be accumulated and reflected in the Net Asset Value of the N Dist, R Dist and H Class Shares.

Hedged Class – *H Share Class*

The H Share Class will be hedged against interest rate risks and/or exchange rate fluctuation risks between AUD and the Euro, the Base Currency of the Fund. The Investment Manager will try to mitigate the risk of depreciation by using financial instruments such as options and forward currency exchange contracts, in no case exceeding 105 per cent. of the Net Asset Value attributable to the H Share Class provided that the H Share Class is re-weighted on at least a monthly basis. In no event will over-hedged positions be carried forward. Any currency exposure of the H Share Class may not be combined with or offset against, that of any other Class of the Fund.

The hedging restrictions for the Fund are set out in the main body of the Prospectus in the section entitled “Hedged Classes”.

The Investment Advisor

The Investment Manager has appointed Mann Bioinvest Limited (the “Investment Advisor”) as a non-discretionary investment advisor to recommend and provide general advice to the Investment Manager in connection with the investment and reinvestment of the assets of the Fund pursuant to the terms of an Investment Advisory Agreement dated 21 December 2012 between the Investment Manager and the Investment Advisor.

The principal place of business of the Investment Advisor is Viking House, Nelson Street, Douglas, Isle of Man, IM1 2AH. The Investment Advisor, an Isle of Man 1931 Act company. The Investment Advisor is not, and is not required to be licensed or regulated by the Financial Supervision Commission in the Isle of Man under the Financial Services Act 2008 or otherwise in relation to the services provided to the Investment Manager. The Investment Advisor is principally engaged in the business of providing investment advisory and other services to the Investment Manager in relation to the Fund.

Pursuant to the terms of the Investment Advisory Agreement, the Investment Advisor has been appointed by the Investment Manager to provide investment advisory services to the Investment Manager in relation to the assets of the Fund. The Investment Advisory Agreement may be terminated by any party on three months written notice or forthwith by notice in writing in certain circumstances such as the insolvency of either party or un-remedied breach after notice. The Agreement provides that the Investment Manager shall indemnify and hold harmless the Investment Advisor and its delegates, agents, officers, executives and directors from any and all cost, liability and expense arising from any breach of the Agreement by it or resulting directly or indirectly in connection with the services provided by the Investment Advisor thereunder, provided such cost,

liability or expense is not as a result of any default, fraud, recklessness, bad faith, or gross negligence on the part of the Investment Advisor.

Profile of a typical Investor

The Fund is suitable for investors with an appetite for a well-diversified equity portfolio. In the context of all asset classes, equities generally display moderately high levels of risk and moderately high volatility with significant risk of loss of capital. Investors in the Fund should consider their investment a mid- to long-term investment.

Investment Objective

The Investment Objective of the Fund is to seek growing income distributions with capital appreciation potential in the long term by investing in a diversified portfolio of Biopharma Sector Securities.

Investment Policy (the “Investment Policy”)

In pursuit of its investment objective the Fund will invest primarily in Biopharma Sector Equities and Biopharma Sector Debt which are listed or traded on Recognised Exchanges as defined or listed in Appendix I to the Prospectus. The Fund may participate in initial public offerings (“IPOs”) of Biopharma Companies subject to the investment restrictions set out in Appendix I to the Prospectus. The Fund may also invest in long-term equity anticipation securities (“LEAPs”) the underlying securities of which will be based on Biopharma Sector Securities and/or indices relating to the Biopharma Sector (such as for example the MSCI World Health Care Index, the NASDAQ Biotech Index, the NYSE Arca Pharmaceutical Index and the Amex Drug Index). LEAPs are publicly traded options contracts with expiration dates of up to two and a half years. Any investment in LEAPs will be subject to and in accordance with the requirements of the Central Bank and the Regulations.

The Fund may also invest in unlisted securities (including by way of private placement) or in units of other collective investment schemes with exposure to the Biopharma Sector subject to the requirements of the Central Bank and the Regulations and, in respect of collective investment schemes, as more particularly described under “Investment Strategy” below.

The Fund may invest in Biopharma Sector Debt. Such debt investments will be listed on a Recognised Exchange as defined or listed in Appendix II to the Prospectus or be eligible for settlement through either Clearstream or Euroclear. Investments in Biopharma Sector Debt shall not exceed 15 per cent. of the Net Asset Value of the Fund.

The Fund will not have a specific geographic focus but will invest on a global basis in the Biopharma Sector. When considering investments for the Fund, the Investment Manager will consider the long terms objective of growing income distributions with capital appreciation potential. The Investment Manager will use a bottom-up fundamental stock selection process when selecting the Fund’s investments (as further set out below).

Investment Strategy (the “Investment Strategy”)

As non-discretionary investment adviser, the Investment Advisor will provide general advice and recommendation to the Investment Manager in relation to the stock selection. The Investment Advisor believes the Biopharma Sector is undergoing significant change driven by global demographic trends and technological/medical advance which will lead to positive returns. In providing advice to the Investment Manager, the Investment Advisor will utilise its proprietary valuation models, scientific expertise and understanding of the sector as a whole to identify companies with attractive growth and valuation metrics and/or superior potential for clinical regulatory and commercial success of therapies for which there is an unmet medical need. In addition, the Investment Advisor will utilise its knowledge of the sector, combined with first-hand observation and participation in industry conferences to refine and develop its advice and so the investment outlook of the Fund.

The Investment Manager will use a bottom-up fundamental stock selection process within the Biopharma Sector to determine those securities that offer appropriate income generation and have appropriate risk/reward characteristics. The Fund will have no restriction on exposure by country, however due to the nature of the sector the majority of the Fund's assets will be invested in US domiciled companies that are quoted in USD.

The Fund will generate exposures both directly and indirectly to Biopharma Sector Securities. The Fund may hold investments indirectly in the form of Depository Receipts such as ADRs and GDRs which are transferable securities or other securities convertible into securities of Biopharma Companies such as convertible notes and convertible debentures (which contain a derivative component). Generally, ADRs in registered form are designed for use in the US securities markets and GDRs are designed for use in non-US securities markets. The Depository Receipts acquired by the Fund will be listed or traded on Recognised Exchanges as set out in Appendix II to the Prospectus. ADRs are denominated in US dollars and represent an interest in the right to receive securities of issuers deposited in a US bank or correspondent bank. GDRs are not necessarily denominated in the same currency as the underlying securities which they represent.

The Fund may also invest in equity related securities such as freely transferable low exercise price warrants, low strike price options, zero coupon equity linked notes (which contain a derivative component) or other similar instruments which in the view of the Investment Manager offer an efficient means of providing the Fund with exposure to Biopharma Sector Equities listed or traded on Recognised Exchanges and which are of a type which may be invested in directly by the Fund. These products are equity call, warrant or option contracts with an exercise price close to zero and typically aim to provide economic exposure to the underlying security without the associated tax and administrative burdens of investing in the local market. The Fund will not receive any legal or beneficial interest in the underlying security unless such options are exercised. These instruments will for the most part be listed on a Recognised Exchange as defined and listed in Appendix II (i) to the Prospectus.

In *lieu* of investing directly in the Biopharma Sector, securities investments of up to 10 per cent. of the total assets of the Fund may also be made in open-ended collective investment schemes, investment companies and similar investment vehicles (including exchange traded funds), established to invest in the Biopharma Sector in accordance with the UCITS Regulations.

Asset Allocation

Subject to the Investment Policy and Investment Strategy referred to above, the allocation of the Fund's assets will be determined by the Investment Manager at its sole discretion and may vary according to market conditions. The Fund may invest up to 20 per cent. of its net assets in emerging markets.

Financial Derivative Instruments ("FDI")

Where considered appropriate, the Fund may invest in financial derivatives instruments and/or utilise techniques and instruments for investment purposes, subject to the conditions and within the limits laid down by the Central Bank. The Fund may invest in futures, options, swaps, warrants, LEAPs and forward currency contracts. The Fund will not purchase any option if, immediately thereafter, the aggregate market value of all outstanding options purchased by the Fund would exceed 5 per cent. of the Fund's total assets. More specifically, the Fund may purchase and write covered call and put options on securities (including straddles) which are in accordance with the requirements of the Central Bank and may enter into interest rate, currency, equity and bond index futures contracts and use options on such futures contracts (including straddles). The Fund will not write any call or put options if, immediately afterwards, the aggregate value of the Fund's securities subject to outstanding covered call or put options would exceed 50 per cent. of the value of the Fund's total assets. The Fund may also enter into swap agreements including, but not limited to, swap agreements on currency exchange rates, security indexes and specific equity securities with exposure to the Biopharma Sector. The Fund may also enter into options on swap agreements with

respect to currencies, interest rates, and equity securities indexes (such as S&P 500 Index) which are in accordance with the requirements of the Central Bank and may also enter into currency forward contracts. The Fund will typically use these techniques as a substitute for taking a position in the underlying equity and debt securities in which the Fund may otherwise invest in accordance with the investment policy and strategy outlined above and/or to gain an exposure to the Biopharma Sector within the limits laid down by the Central Bank and/or as part of a strategy designed to reduce exposure to other risks, such as currency risk. The Fund may use these techniques with respect to its management of (i) currency or exchange rates and (ii) securities' prices. The Fund will not be leveraged in excess of 100 per cent. of its net assets. Investors should note that the following securities may embed a derivative: participation notes, convertible securities, convertible notes, convertible debentures, and warrants.

The global exposure of the Fund will be calculated by the Investment Manager as the incremental exposure and leverage generated by the UCITS through the use of FDI, including embedded derivatives using the commitment approach so as to ensure that the global exposure of the Fund does not exceed the Net Asset Value of the Fund. Accordingly the Fund may not be leveraged in excess of 100 per cent. of its Net Asset Value. The use of the commitment approach for the calculation of global exposure requires that the Investment Manager convert each FDI position of the Fund into the market value of an equivalent position in the underlying asset of that FDI.

For the purpose of providing margin or collateral in respect of transactions in financial derivative instruments, the Company on behalf of the Fund may transfer, mortgage, charge or encumber any assets or cash forming part of the Fund in accordance with normal market practice.

Liquid Assets

While the Fund will normally be exposed to the Biopharma Sector as set out above, the Fund may also retain significant amounts in cash and other liquid assets in order to cover FDI positions taken or to seek to generate a return on capital with a high degree of safety where market movements or other factors so require. Liquid assets would include, for example short dated government bonds (fixed or floating rate which are rated BB- or higher by Standard & Poor's or its equivalent), time deposits and variable rate notes and will be of investment grade or better. Even in circumstances where the Fund invests substantially in liquid assets, the Fund will not be completely protected from market movements. **Investors should note difference between the nature of a deposit and the nature of an investment in the Fund, in particular the risk that the principal invested in the Fund is capable of fluctuation and thus Shareholders may not have all of their principal returned to them on redemption. In addition an investment into the Fund will not benefit from any deposit protection scheme such as might be applicable to an investment in a deposit.**

Efficient Portfolio Management

Where considered appropriate the Fund may also utilise instruments such as futures, options, and forward foreign currency exchange contracts for efficient portfolio management and/or to protect against exchange risks within the conditions and limits laid down by the Central Bank from time to time. Efficient portfolio management transactions relating to the assets of the Fund may be entered into by the Investment Manager with one of the following aims: (a) a reduction of risk (including currency exposure risk); (b) a reduction of cost (with no increase or minimal increase in risk); and (c) generation of additional capital or income for the Fund with a level of risk consistent with the risk profile of the Fund and the diversification requirements in accordance with the Central Bank's UCITS Notice 9 "Eligible Assets and Investment Restrictions" and as disclosed in Appendix I to the Prospectus. In relation to efficient portfolio management operations, the Investment Manager will look to ensure that the techniques and instruments used are economically appropriate in that they will be realised in a cost-effective way. Notwithstanding the foregoing, efficient portfolio management will be used primarily for currency hedging purposes and forward foreign currency exchange contracts may be used for such purposes. The Fund may also use forward foreign currency exchange contracts to alter the currency characteristics of transferable

securities held by the Fund where the Investment Manager considers it appropriate to retain the credit quality of a particular transferable security but wishes to obtain a currency exposure consistent with the Fund's investment objective and policy. Because currency positions held by the Fund may not correspond with the asset positions held, performance may be strongly influenced by movements in foreign exchange rates.

A description of the main techniques and instruments that may be used for efficient portfolio management is set out below.

The Fund may sell futures on currencies to provide an efficient, liquid and effective method for the management of risks by "locking in" gains and/or protecting against future declines in value. The Fund may also buy futures on currencies to provide a cost effective and efficient mechanism for taking positions in securities.

The Fund may enter into forward currency contracts to purchase or sell a specific currency at a future date at a price set at the time of the contract. The Fund may enter into these contracts to hedge against changes in currency exchange rates. The Fund may use one currency (or a basket of currencies) to hedge against adverse changes in the value of another currency (or a basket of currencies) when exchange rates between the two currencies are positively correlated.

Sub-Underwriting

For efficient portfolio management purposes, the Fund may from time to time enter into sub-underwriting agreements with an investment bank, whereby the investment bank may underwrite a share issue and in the event that the share issue is undersubscribed by third party investors, the Fund will be obliged to buy the under-subscribed shares at the applicable offer price or at a discount thereto. In the event that the share issue is fully subscribed, the Fund will receive a sub-underwriting fee from the relevant investment bank. The aim of entering into such sub-underwriting agreements is to acquire securities in which the Fund is permitted to invest in, as set out above, and/or to generate additional income for the Fund. For the avoidance of doubt, the Fund will only enter into Sub-underwriting agreements which relate to securities in which the Fund is permitted to invest in, as set out above, in pursuit of its investment objective. The acquisition of any underlying securities pursuant to such sub-underwriting agreements will not at any time breach the Company's investment restrictions policy, as detailed in Appendix I to the Prospectus entitled "Investment and Borrowing Restrictions". Any obligations of the Fund under the terms of the sub-underwriting agreements will at all times be covered by liquid assets.

Repurchase/Reverse Repurchase Agreement

The Fund may also enter into repurchase/reverse repurchase agreements for efficient portfolio management purposes only as described above and subject to the conditions and limits set out in the UCITS Notices. Such a transaction is an agreement whereby one party sells the other a security at a specified price with a commitment to buy the security back at a later date for another specified price. The Fund may enter into such agreements as follows: (a) if the Fund has short-term funds to invest, then the difference between the sale and repurchase prices paid for the security represents a return to the Fund similar to interest on a loan; or (b) if the Fund wishes to briefly obtain use of a particular security.

The Company will employ a risk management process which will enable it to accurately monitor measure and manage the risks attached to financial derivative positions and details of this procedure have been provided to the Central Bank. The Company will not utilise financial derivatives which have not been included in the risk management process until such time as a revised risk management process has been submitted to and cleared by the Central Bank. The Company will provide on request to Shareholders supplementary information relating to the risk management methods employed by the Company including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

The Investment Manager may take a temporary defensive position when the securities trading markets or the economy are experiencing excessive volatility, a prolonged general decline, or other adverse conditions. The Fund may invest in different transferable securities such as US government securities, short term indebtedness, and money market instruments issued or guaranteed by any Member State, its local authorities, non-Member States or public international body of which one or more Member States are members subject to and in accordance with the requirements of the Central Bank and the Regulations or other investment grade cash equivalents. When the Fund is in a defensive investment position, it may not achieve its investment objective.

Investment and Borrowing Restrictions

The Fund will be subject to certain investment and borrowing restrictions in accordance with the Regulations as defined in Appendix I to the Prospectus. The Fund will not take legal or management control of the issuers of its underlying investments.

The Fund may only borrow an amount which in aggregate does not exceed 10 per cent. of its Net Asset Value. Such borrowings may, however, only be made on a temporary basis.

Issue of Shares

Investors' attention is drawn to the Section of the Prospectus entitled "The Shares" and the sub-section therein entitled "Minimum Investments" which details the Minimum Subscription, Minimum Holding and subsequent investment for each Class of Shares.

Initial Offer of H Class Shares

During the initial offer period for H Class Shares which shall commence at 9.00 a.m. Dublin time on 24 December, 2012 and closes at 5.00 p.m. Dublin time on 24 December, 2013 (the "Closing Date"), H Class Shares are being offered to investors at an Initial Price of AUD 10 per share.

Initial Offer of N Acc Class Shares

During the initial offer period for N Acc Class Shares which shall commence at 9.00 a.m. Dublin time on 24 December, 2012 and closes at 5.00 p.m. Dublin time on 24 December, 2013 (the "Closing Date"), N Acc Class Shares are being offered to investors at an Initial Price of Euro 10 or the equivalent thereof in AUD, CAD, GBP or USD (or such other currency as agreed in advance with the Administrator).

Initial Offer of N Dist Class Shares

During the initial offer period for N Dist Class Shares which shall commence at 9.00 a.m. Dublin time on 24 December, 2012 and closes at 5.00 p.m. Dublin time on 24 December, 2013 (the "Closing Date"), N Dist Class Shares are being offered to investors at an Initial Price of Euro 10 or the equivalent thereof in AUD, CAD, GBP or USD (or such other currency as agreed in advance with the Administrator).

Initial Offer of R Acc Class Shares

During the initial offer period for R Acc Class Shares which shall commence at 9.00 a.m. Dublin time on 24 December, 2012 and closes at 5.00 p.m. Dublin time on 24 December, 2013 (the "Closing Date"), R Acc Class Shares are being offered to investors at an Initial Price of Euro 10 or the equivalent thereof in AUD, CAD, GBP or USD (or such other currency as agreed in advance with the Administrator).

Initial Offer of R Dist Class Shares

During the initial offer period for R Dist Class Shares which shall commence at 9.00 a.m. Dublin time on 24 December, 2012 and closes at 5.00 p.m. Dublin time on 24 December, 2013 (the "Closing Date"), R Dist Class Shares are being offered to investors at an Initial Price of Euro 10 or the equivalent thereof in AUD, CAD, GBP or USD (or such other currency as agreed in advance with the Administrator).

The initial offer periods of the H, N Acc, N Dist, R Acc and R Dist Class Shares as outlined above may be extended or shortened at the discretion of the Directors in accordance with the requirements of the Central Bank. An initial charge of up to EUR 0.50 per Share which is equivalent to 5 per cent. of the Initial Price or the equivalent thereof in the relevant currency may be added upon the issue of such Shares and will be payable by the investor to the Share Distributor.

Applications for Shares and subscription monies in respect of such applications must be received by the Administrator on or before 12.00 p.m. (Dublin time) on the Closing Date for the relevant Class of Shares.

Continuing Offer

Shares in the Fund may be issued on each Dealing Day during the Continuing Offer at a price equal to the Net Asset Value per Class of Share. An initial charge of up to 5 per cent. of the amount subscribed by an investor may be added upon the issue of such Shares and will be payable by the investor to the Share Distributor.

Application Procedure

Investors' attention is drawn to the Section of the Prospectus entitled "The Shares" and the sub-section therein entitled "Application Procedure" which outlines the application procedure to be followed.

Redemption of Shares

Investors' attention is drawn to the Section of the Prospectus entitled "The Shares" and the sub-section therein entitled "Redemption Procedure" which outlines the redemption procedure to be followed.

Fees and Expenses

The Sponsor has agreed with the Company that it will be responsible for paying the fees and expenses relating to and incidental to the establishment of the Fund (including legal expenses, the negotiation and preparation of the contracts (if any) of the various service providers, the costs of printing this document and any disbursement expenses of its professional advisers and service providers). These establishment expenses are estimated not to exceed EUR 75,000. Whilst these costs and expenses will be borne by the Sponsor, the Company and the Sponsor have agreed that the Sponsor will be reimbursed a *pro rata* amount equal to 0.2 per cent. per annum of the average monthly Net Asset Value of the Fund, such fee to be accrued by the Fund daily and paid monthly in arrears, subject to the maximum aggregate payment not exceeding the estimated cost as above until such time as the Sponsor has been reimbursed the cost of all establishment expenses which will not exceed five years from the launch of the Fund.

In addition to the general fees and charges set out in the Prospectus under the heading "Fees and Expenses" the following fees and expenses are payable by the Fund:-

The Fund will bear a portion of the operating costs of the Company.

Redemption Fee

The Directors may, in their absolute discretion, charge a redemption fee of up to 3 per cent. of the Net Asset Value per Share being redeemed and such fee if applicable shall be payable to the Share Distributor.

Investment Manager

The Investment Manager in respect of H Class Shares will be paid a fee equal to an amount of 1.75 per cent. per annum of the average daily Net Asset Value of the H Class Shares.

In respect of N Acc and N Dist Class Shares the Investment Manager will be paid a fee of 1.00 per cent. per annum of the average daily Net Asset Value of the N Class Shares.

In respect of R Acc and R Dist Class Shares the Investment Manager will be paid a combined fee of 1.75 per cent. per annum of the average daily Net Asset Value of the R Class Shares.

These fees will accrue daily and be paid monthly in arrears. The investment management fee shall be payable out of the capital of the Fund.

Performance Fee – N Acc, N Dist R Acc and R Dist Class Shares

In addition, the Investment Manager shall be entitled to receive a performance fee for each of the N Acc, N Dist R Acc and R Dist Class Shares, calculated and payable on the Calculation Day. This fee will accrue daily and shall be calculated as follows.

The ‘Calculation Day’ for the purposes of calculating the performance fee for each of the N Acc, N Dist R Acc and R Dist Class Shares means:

- (a) the last Dealing Day of the Accounting Period;
- (b) in respect of Shares which are redeemed, the Dealing Day on which such Shares are being redeemed;
- (c) the date of termination of the Investment Management Agreement; or
- (d) such other date on which the Company or the Fund may be liquidated or cease trading.

The performance fee for the N Acc, N Dist R Acc and R Dist Class Shares shall equal a rate of 10 per cent. of the return on the N Acc, N Dist R Acc and R Dist Class Shares (including any dividends declared in respect of the N Dist and R Dist) in excess of the percentage return on the MSCI World Health Care Net EUR Index (the “Benchmark Rate”) subject to the relevant Benchmark Net Asset Value per Share (as defined below) as at the last Dealing Day in the relevant Accounting Period, multiplied by the weighted average number of Shares of each relevant Class in issue during the Accounting Period as at the last Dealing Day or, in the case of (b) above, the number of Shares of each relevant Class being redeemed during the period by reference to which the fee is payable. The weighted average number of Shares is calculated by taking the number of Shares outstanding each day in the period divided by the total number of days in that period. Due to the use of averaging in calculating the performance fee the economic effect of the performance fee in respect of the N Acc, N Dist R Acc and R Dist Class Shares on a per Share basis may substantially differ from the effective rate.

The performance fee shall be payable in respect of the performance of the N Acc, N Dist R Acc and R Dist Class Shares during an Accounting Period. Any underperformance of the N Acc, N Dist R Acc and R Dist Class Shares in respect of the Benchmark Rate in preceding Accounting Periods shall be cleared before a performance fee is payable in the relevant Accounting Period. The performance fee is payable annually in arrears in respect of each Accounting Period. The performance fee will be calculated in respect of each Accounting Period (the “Calculation Period”). Each Accounting Period will end on 31 December each year. In respect of the first Calculation Period, the calculation of the performance fee shall commence on the closing of the initial offer period for the N Acc, N Dist R Acc and R Dist Class Shares and shall end on 31 December 2013. The performance fee shall be payable out of the capital of the Fund.

Benchmark Net Asset Values – N Acc, N Dist R Acc and R Dist Class Shares

The “Benchmark Net Asset Value per Share” shall be the Net Asset Value per Share following the close of the previous Accounting Period in which a performance fee was payable multiplied by the Benchmark Rate since the close of the previous Accounting Period in which a performance fee was payable. If no Performance Fee was payable in any previous Accounting Period, the Benchmark Net Asset Value per Share shall be the initial issue price for that Share at inception adjusted by the Benchmark Rate. Euro 10 shall be the starting price for the calculations. The calculation of each performance fee will be verified by the Custodian.

Dividends and Distributions

Any dividends declared in respect of the N Dist, R Dist and H Share Classes shall be payable out of net income being income in respect of the N Dist, R Dist and H Shares less accrued expenses. The investment management fee and performance fee payable in respect of the N Dist, R Dist and H Class Shares in the Fund shall be charged to capital with the effect that capital may be eroded and that income will be achieved by foregoing the potential for future capital growth. Investors' attention is drawn to the Section of the Prospectus entitled "The Shares" and the sub-section therein entitled "Dividends and Distributions" for further information.

General

The Investment Manager is also entitled to reimbursement by the Fund of all reasonable out-of-pocket expenses properly incurred in the performance of its services to the Fund under the Investment Management Agreement. The fees and expenses of the Investment Advisor will be met by the Investment Manager out of its Management Fees.

Company and Shareholder Taxation Issues

The attention of investors is drawn to the relevant sections of the Prospectus.

Risk Factors***Biopharma Sector Risk***

Investment in the Biopharma Sector may present a greater risk and higher volatility than investment in a broader range of securities covering different sectors. Due to the nature of the Biopharma Sector, companies operating in the sector are subject to higher levels of government regulation than other sectors and as such any changes in regulation can have a material adverse effect on the profitability and performance of investments in their securities. Biopharma Securities may therefore drop sharply in value in response to delays in/denial of regulatory approval and/or setbacks in research and development of new therapies. In addition, sharp drops in the value of securities may also be caused by the approval of competitive products with superior efficacy and risk profiles or the expiration of patents relating to marketed products.

Restricted Security Risk

Direct equity investments in securities that are subject to contractual and regulatory restrictions on transfer may involve a high degree of business and financial risk. Such restrictions may include for example, a "lock-up" period on investment. The restrictions on transfer may cause the Fund to hold a security at a time when it may be beneficial to liquidate the security and the security could decline significantly in value before the Fund could liquidate the security.

Options Risk

Investing in options, LEAPS, and other instruments with option-type elements ("options") may increase the volatility and/or transaction expenses of the Fund. LEAPs are publicly traded option contracts typically with expiration dates longer than one year and are a way to gain exposure to a prolonged trend in a given security without having to roll several short-term contracts together. The premiums for LEAPS tend to be higher than for standard options in the same stock. Separately, investments in any type of option may expire without value, resulting in a loss of the Fund's initial investment and may be less liquid and more volatile than an investment in the underlying securities.

Warrants Risk

Warrants can provide a greater potential for profit or loss than an equivalent investment in the underlying security. Prices of warrants do not necessarily move, however, in tandem with prices of the underlying securities, particularly for shorter periods of time, and, therefore, may be considered speculative investments. If a warrant held by the Fund were not exercised by the date of its expiration, the Fund would incur a loss in the amount of the cost of the warrant, if any.

The attention of investors is drawn to the section of the Prospectus entitled "Risk Factors".

PART II

NOTICE OF GENERAL MEETING

Port Erin Biopharma Investments Limited

(Incorporated and registered in the Isle of Man under the Companies Act 2006 with registered number 006874V)

NOTICE OF MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT a general meeting of shareholders of the above-named company (“**the Company**”) will be held at The Sanderson Suite, The Claremont Hotel, 18-22 Loch Promenade, Douglas, Isle of Man, IM1 2LX on 11 November 2013 at 10.00 a.m. GMT (the “**Meeting**”) for the purposes of considering and, if thought fit, approving the following resolutions:

1. **THAT** the new investing policy, as set out at Appendix I of this Notice (the “**New Investing Policy**”), be approved and adopted by the Company (in substitution of the previous investing policy) and that the Directors of the Company be authorised to take all such steps as any of them may consider necessary or desirable to implement the New Investing Policy.
2. **THAT** the Directors’ report and annual financial statements of the Company for the year ended 30 June 2013 be approved by the Company.
3. **THAT** KPMG Audit LLC be appointed as auditors to the Company until the conclusion of the next general meeting at which accounts are laid before the Company.

By order of the Board

James Mellon

Dated: 24 October 2013

Registered Office

18 Athol Street
Douglas
Isle of Man
IM1 1JA

Notes

- (i) A member of the Company entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company.
 - (ii) As permitted by Regulation 41 of the Uncertificated Securities Regulations 2001. Shareholders who hold shares in uncertificated form must be entered on the Company’s share register at 6.00 p.m. on 8 November 2013 in order to be entitled to attend and vote at the Meeting. Changes to entries on the register after that time or if the Meeting is adjourned, in the register of members after 6.00 p.m. on the second day prior to the day of the adjourned meeting, will be disregarded in determining the rights of any person to attend and vote at the meeting.
 - (iii) A form of proxy is enclosed with this notice for use in connection with this business set out above. To be valid, forms of proxy and any power of attorney or other authority under which it is signed must be lodged with **Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU** by not later than 48 hours prior to the time fixed for the meeting.
 - (iv) Completion and return of a form of does not preclude a member from attending and voting at the Meeting or at any adjournment thereof in person.
 - (v) In the case of joint holders, the signature of only one of the joint holders is required on the form of proxy or the form of instruction but the vote of the first named on the register of members will be accepted to the exclusion of the other joint holders.
-

PROXY FORM

Port Erin Biopharma Investments Limited

(Incorporated and registered in the Isle of Man under the Companies Act 2006 with registered number 006874V)

I/We (Block Letters)

of.....

being a member/members of the above-named Company hereby appoint the Chairman of the Meeting or*

of.....

as my/our proxy to vote for me/us on my/our behalf at the General Meeting of the Company to be held at The Sanderson Suite, The Claremont Hotel, 18-22 Loch Promenade, Douglas, Isle of Man, IM1 2LX on 11 November 2013 at 10.00 a.m. GMT and at any adjournment thereof. I/We direct that my/our vote(s) be cast on the Resolutions as indicated by an 'X' in the appropriate box.

Table with 4 columns: ORDINARY RESOLUTION, For, Against, Withheld. Contains 3 rows of resolutions regarding investing policy, financial statements, and KPMG Audit LLC appointment.

Dated: thisday of2013

Signature:.....



*If it is desired to appoint another person as a proxy these words should be deleted and the name and address of the proxy, who need not be a member of the Company, inserted. Unless otherwise directed, and in respect of any other resolution properly moved at the Meeting, the proxy will vote, or may abstain from voting, as he thinks fit.

Notes:

- (1) A member entitled to attend, speak and vote is entitled to appoint a proxy to attend, speak and vote on his behalf. A proxy need not be a member of the Company.
- (2) Forms of proxy, together with any power of attorney or other authority under which it is executed or a notarially certified copy thereof, must be completed and, to be valid, must reach the Registrars of the Company at **Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU**, not less than 48 hours before the time appointed for the holding of the meeting.
- (3) If the appointor is a corporation, the form of proxy must be under its common seal or under the hand of an officer or attorney duly authorised.
- (4) The appointment of a proxy does not preclude a member from attending and voting at the meeting.
- (5) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote of the other registered holder(s) and for this purpose seniority shall be determined by the order in which the names stand in the register of members.
- (6) Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 (SI 2001/3755), Reg. 41(1) and (2), only those shareholders on the Register of Shareholders at 6.00 p.m. on 8 November 2013 shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their names at that time. If the meeting is adjourned by more than 48 hours, then to be so entitled, shareholder must be entered on the Company's Register of Shareholders at the time which is 48 hours before the time appointed for holding the adjourned meeting or, if the Company gives notice of the adjourned meeting, at the time specified in that notice.
- (7) You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, you should contact the Company's Registrar at the address given in Note 2 above and make necessary arrangements.
- (8) As at 24 October 2013, the Company's issued share capital comprised 33,864,836 ordinary shares of £0.000001 each. Each ordinary share carries the right to one vote at a general meeting of the Company, and therefore the total number of voting rights in the Company as at the time and date given above is 33,864,836.