

# **SEB Guarantee Fund 80 (EUR)**

**Guaranteed by Barclays Bank PLC**

## **Supplement to the Prospectus**

This Supplement contains information in relation to the **SEB Guarantee Fund 80 (EUR)** (the "**Fund**"), a Fund of Celsius Global Funds SICAV plc (the "**Company**") an umbrella type open-ended investment company with variable capital, governed by the laws of Malta and licensed by the Malta Financial Services Authority (the "**Authority**").`

**This Supplement forms part of the Prospectus of the Company dated 27<sup>th</sup> July, 2012 (the "Prospectus"), and may not be distributed (other than to prior recipients) unless accompanied by and read in conjunction with the Prospectus.**

## **Celsius Global Funds SICAV plc**

An umbrella fund with segregated liability between the sub-funds

**Amended and restated on 2<sup>nd</sup> January 2013**

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## **IMPORTANT INFORMATION**

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**THIS DOCUMENT IS IMPORTANT. BEFORE YOU PURCHASE ANY OF THE SHARES REPRESENTING INTERESTS IN THE FUND DESCRIBED IN THIS SUPPLEMENT YOU SHOULD ENSURE THAT YOU FULLY UNDERSTAND THE NATURE OF SUCH AN INVESTMENT, THE RISKS INVOLVED AND YOUR OWN PERSONAL CIRCUMSTANCES. IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS SUPPLEMENT YOU SHOULD TAKE ADVICE FROM AN APPROPRIATELY QUALIFIED ADVISOR.**

**The risks attached to an investment in the Fund are set out in the Prospectus. The Directors of the Company expect that the Net Asset Value of the Fund will have medium to high volatility through investment in the Fund.**

### **Suitability of Investment**

**You should inform yourself as to (a) the possible tax consequences, (b) the legal and regulatory requirements, (c) any foreign exchange restrictions or exchange control requirements and (d) any other requisite governmental or other consents or formalities which you might encounter under the laws of the country of your citizenship, residence or domicile and which might be relevant to your purchase, holding or disposal of the Shares.**

**The value of the Shares may go up or down and you may not get back the amount you have invested. See the section headed "Risk Factors" of the Prospectus and the section headed "Risk Factors" in this Supplement for a discussion of certain risks that should be considered by you.**

An investment in any Class of the Shares is only suitable for you if you (either alone or with the help of an appropriate financial or other advisor) are able to assess the merits and risks of such an investment and have sufficient resources to be able to bear any losses that may result from such an investment. The contents of this document are not intended to contain and should not be regarded as containing advice relating to legal, taxation, investment or any other matters.

### **Responsibility**

Subject to the disclaimer in the section "Other Information", the Directors (whose names appear under the heading "Management of the Company - Directors of the Company" of the Prospectus) accept responsibility for the information contained in the Prospectus and this Supplement. 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 when read together with the Prospectus (as complemented, modified or supplemented by this Supplement) is in accordance with the facts as at the date of this Supplement and does not omit anything likely to affect the import of such information.

### **General**

This Supplement amends and restates the Supplement dated 27<sup>th</sup> March 2012 (which amended and restated the supplement dated 27<sup>th</sup> February 2009, which itself amended and restated the original Supplement dated 14th February 2008). It sets out information in relation to the Fund. You must also refer to the Prospectus which is separate to this document and describes the Company and provides general information about offers of shares in the Company. You should not take any action in respect of the Shares unless you have received a copy of the Prospectus. Should there be any inconsistency between the contents of the Prospectus and this Supplement, the contents of this Supplement will, to the extent of any such inconsistency, prevail. This Supplement and the Prospectus should both be carefully read in their entirety before any investment decision with respect to Shares is made.

## **Distribution of this Supplement and Selling Restrictions**

Distribution of this Supplement is not authorised unless accompanied by a copy of the Prospectus (other than to prior recipients of the Prospectus). The distribution of this Supplement and the offering or purchase of the Class of Shares may be restricted in certain jurisdictions. If you wish to apply for the opportunity to purchase any Class of Shares, it is your duty to inform yourself of, and to observe, all applicable laws and regulations of any relevant jurisdiction. In particular, you should inform yourself as to the legal requirements of so applying, and any applicable exchange control regulations and taxes in the countries of your respective citizenship, residence or domicile.

## **Risk Factors**

Certain risks relating to the Shares are set out under the heading “Risk Factors” in the Prospectus. In addition, Shareholders should note that:

- (a) The Fund’s exposure is linked to the performance of the Underlying. The Fund is therefore exposed to general market movements, and trends in equities, fixed income and commodity markets, which are occasionally partially affected by irrational factors. Such factors may lead to a more significant and longer lasting decline in prices affecting the entire market.
- (b) The return that Shareholders will receive will be dependent on the performance of the Diversified Component and the Fixed Income Component and thus the return Shareholders receive may not wholly correspond to the performance of the Diversified Component alone.
- (c) Exposure to the Underlying may be achieved directly and indirectly through swaps and other FDIs which seek to replicate the performance of the Underlying. Such exposure through the swaps and other FDIs will incur Replication Costs meaning that the value of the FDIs (which ultimately determine the return Shareholders will receive) will not exactly track the value of the Underlying. Shareholders should thus be familiar with the risks associated with such an approach to investment (see “Specific Risks Relating to Funds Replicating the Performance of an Underlying”).
- (d) The rule-based and disciplined strategy governing the allocation mechanism generally increases exposure to the Diversified Component at times when it performs relatively better than the Fixed Income Component and conversely increases exposure to the Fixed Income Component at times when it performs relatively better than the Diversified Component.
- (e) The FDIs may be terminated in accordance with their terms upon the occurrence of certain events with respect to either the Approved Counterparty or the Fund (including failure to pay, insolvency and the imposition of withholding tax on the payments due by either party). Upon such termination, the Fund or the Approved Counterparty may be liable to make a termination payment (regardless of which party may have caused such termination) based on the mark to market value of the FDIs at such time, as determined by the Approved Counterparty.
- (f) Both the guaranteed return as well as any payment under any FDI entered into with an Approved Counterparty are subject to the credit risk of the Approved Counterparty. Investors should note that, where Barclays Bank PLC is the Approved Counterparty, not only will they be exposed to the credit risk of Barclays Bank PLC but also to potential conflicts of interest in the performance of these functions by Barclays Bank PLC. In such circumstances, Barclays Bank PLC has undertaken to use its reasonable endeavours to resolve any such conflicts of interest fairly (having regard to its respective obligations and duties) and to ensure that the interests of the Company and the Shareholders are not unfairly prejudiced. The Directors believe that Barclays Bank PLC is suitable and competent to perform such functions.
- (g) The payment by the Guarantor under the Guarantee is dependent on the ability of the Guarantor to meet its obligations and is subject to the terms of the Guarantee (as

described in the section "Guarantee").

- (h) The sub-funds of the Company are segregated as a matter of Maltese law and as such, in Malta, the assets of one sub-fund will not be available to satisfy the liabilities of another sub-fund. However, it should be noted that the Company is a single legal entity which may operate or have assets held on its behalf or be subject to claims in other jurisdictions which may not necessarily recognise such segregation. There can be no guarantee that the courts of any jurisdiction outside Malta will respect the limitations on liability as set out above.
- (i) The value of investments may fall as well as rise, and investors may get back less than they originally invested.
- (j) Any Repo Transaction may be terminated in accordance with its terms upon the occurrence of certain events with respect to either the Repo Counterparty or the Fund (including failure to pay, insolvency, or breach of agreement). Upon such termination, the default market value of the securities which are the subject of the Repo Transaction will be determined in accordance with the terms of the relevant Repo Transaction and a payment settling each party's claim against the other under such Repo Transaction will, based on such determination, be made by either the Repo Counterparty or the Fund. From this point on (1) the Fund will take ownership of such securities and therefore will be exposed to the market risk and credit risk of these securities and (2) there is no further obligation on the Repo Counterparty to repurchase equivalent securities and/or to deliver to the Fund additional equivalent securities if the market value of the securities decreases.
- (k) If in respect of any Fund Assets, the official close of business prices do not, in the opinion of the Administrator, reflect their fair value or are not available, the value shall be calculated with its standard of care and in good faith by the Administrator, (being approved by the Custodian as a competent person for such purpose) in consultation with the Investment Manager with a view to establishing the probable realisation value for such Fund Asset as at the Valuation Point for the relevant Dealing Day.
- (l) The Guarantee is not unconditional. This means that there are certain circumstances where the Guarantee will not pay out any shortfall and the Fund may fail to achieve its Investment Objective. Under such circumstances, the Net Asset Value of the Shares may fall below the Protection Price and Shareholders may receive less than the Protection Price. Investors must read the Deed of Guarantee for further details, a summary of which is included in the section entitled "Guarantee".
- (m) If the Put Option is terminated, or if upon maturity of the Put Option for any reason the Company is unable to enter into a new Put Option with the Put Option Counterparty and no replacement instrument is available, the Fund may not be able to achieve the Investment Objective and may be terminated by the Directors.

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## **DEFINITIONS**

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Words and expressions defined in the Prospectus will, unless otherwise defined in this Supplement, have the same meaning when used in this Supplement.

**Approved Counterparty** means Barclays Bank PLC, acting through its investment banking division Barclays Capital ("**Barclays Capital**") or any other entity (including but not limited to a division or an Affiliate of Barclays Bank PLC) selected by the Investment Manager, provided always that the relevant entity, in relation to FDIs, falls within a category permitted by the MFSA in terms of the License Conditions.

**Calculation Agent** means an entity selected as calculation agent under the FDI between the Fund and the relevant Approved Counterparty, it being understood that where Barclays Bank PLC is an Approved Counterparty, the Calculation Agent in respect of such FDI will be Barclays Capital.

**Constituents** mean those assets and/or financial instruments or FDIs comprised in the Diversified Component as further described under "General Description of the Underlying".

**Disruption Events** means the occurrence of a Market Disruption Event or a Force Majeure Event on any day that affects (in the Investment Manager's sole and absolute determination) the Fund Assets, any Constituent and/or any hedging position of the Approved Counterparty relating to any Fund Asset. Following the occurrence of a Disruption Event, the Investment Manager may:

- (i) make such determinations and/or adjustments to the terms of the Portfolio as considered appropriate to determine the value of any Fund Asset or Constituent on a calendar day which if but for the occurrence of the Disruption Event would have been a Business Day; and/or
- (ii) defer any publication of information relating to any Fund Asset until the earlier of (a) the next Business Day on which it determines that no such Market Disruption Event or Force Majeure Event, as the case may be, exists or b) 8 calendar days from the date of the first occurrence of the relevant Disruption Event, provided that such a day would have been a Business Day but for the occurrence of that Disruption Event. The Investment Manager shall then implement (i) above; and/or
- (iii) determine, where such calendar day would have been, but for the occurrence of the Market Disruption Event or Force Majeure Event, as the case may be, a Rebalancing Date, that such calendar day is not a Rebalancing Date, and accordingly adjust such Rebalancing Date to the next Business Day on which it determines that no such Market Disruption Event or Force Majeure Event, as the case may be, exists.

**EUR** or **Euro** means the lawful currency among participating European Union countries.

**Extraordinary Rebalancing Date** means a Business Day, which is not a Monthly Rebalancing Date and which the Investment Manager has nominated to be a day when the Weight of each Constituent may be determined by the Investment Manager.

**FDI** means financial derivative instruments including but not limited to funded and unfunded swaps, total return swaps, futures, swaps, swaptions, options, forwards and contracts for difference with the Approved Counterparty.

**Force Majeure Event** means an event or circumstance (including, without limitation, a systems failure, natural or man-made disaster, act of God, armed conflict, act of terrorism, riot or labour disruption or any similar intervening circumstance) that is beyond the reasonable control of the Investment Manager and that the Investment Manager (in its sole and absolute discretion) determines affects the Underlying or any Portfolio Component.

**Fund Assets** means the assets set out herein that the Fund invests in from time to time together with ancillary cash held by the Fund from time to time.

**Guarantee** means the guarantee given by the Guarantor pursuant to the Deed of Guarantee (as summarised in the section “Guarantee”).

**Guarantee Claims Agent** means State Street Fund Services (Ireland) Limited or any successor thereto duly appointed.

**Guarantor** means Barclays Bank PLC.

**Market Disruption Event** means one or more of the following events, which occur in relation to any Fund Asset or Constituent and if, in the sole and absolute determination of the Investment Manager, such event is material:

- (i) It is not possible to obtain a price or value (or an element of such price or value) of any Fund Asset or Constituent according to the rules or normal accepted procedures for the determination of such price or value (whether due to the non-publication of such price or value or otherwise);
- (ii) The calculation of the price or value of any Fund Asset or Constituent is, at the relevant time, in the sole and absolute opinion of the Investment Manager, impractical or impossible to make;
- (iii) There is a reduction in liquidity in any Fund Asset or Constituent in the sole and absolute opinion of the Investment Manager;
- (iv) any suspension of or limitation is imposed on trading on any exchanges, quotation systems or over-the-counter market where any Fund Asset or Constituent is traded; and/or a general moratorium is declared in respect of banking activities in the country in which any such exchange, quotation system or over-the-counter market is located; and/or there exists an event or circumstance that prevents or materially limits transactions in any Fund Asset or Constituent. For the purpose of this definition, a limitation on the hours and number of days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of the relevant exchange, provided however that where a limitation on trading imposed during the course of the day by reason of movements in price otherwise exceeding levels permitted by the relevant exchange may, if so determined by the Investment Manager, constitute a Market Disruption Event;
- (v) where the Fund Asset or Constituent is not traded on any exchange, quotation system or other similar system, the Investment Manager is unable to obtain (i) from dealers in the Fund Asset or Constituent firm quotations in respect thereof or (ii) a subscription or a redemption price of any Fund Asset or Constituent according to the rules or normal accepted procedures for such Fund Asset or Constituent.
- (vi) the occurrence of any event that generally makes it impossible or impractical to convert any currency which was, immediately prior to the occurrence of such event, a foreign exchange currency, as determined by the Investment Manager in their sole and absolute determination.
- (vii) the occurrence of any event that generally makes it impossible or impractical to convert the currency of the country of issue and/or country of payment of any Constituent into the base Currency through customary legal channels, as determined by the Investment Manager in their sole and absolute determination;
- (viii) the occurrence of any event that generally makes it impossible or impractical to deliver or transfer (a) the currency from accounts inside the country of issue and/or country of payment of any Fund Asset or Constituent to accounts outside such country of issue and/or country of payment or (b) the currency of the country of issue and/or country of payment of any Fund Asset or Constituent between accounts inside such country of issue and/or country of payment, or to a party that is a non-resident of the country of issue and/or country of payment, as determined by the Investment Manager in their sole and absolute determination;
- (ix) A general moratorium is declared in respect of banking activities in London, New York, Milan or Malta.

**Monthly Rebalancing Date** means a Business Day of each month when the respective Weights of the Constituents are adjusted in accordance with the Model.

**Portfolio Components** means both the Diversified Component and the Fixed Income Component.

**Protected Price** means 80% of the highest ever Net Asset Value per Share since the Launch Date.

**Put Option** means the put option transaction entered into between the Company, on behalf of the Fund, and the Put Option Counterparty, the aim of which is to ensure that the Fund has sufficient resources to pay out at least the Protected Price on any Dealing Day.

**Put Option Counterparty** means Barclays Capital. The Put Option Counterparty is also the allocation agent for the purpose of the Prosper 80 Strategy (the “**Allocation Agent**”), such strategy described under the “General Description of the Underlying”.

**Rebalancing Date** means a Monthly Rebalancing Date or an Extraordinary Rebalancing Date.

**Replication Costs** means such costs of replicating the Underlying including (but not limited to) transactional charges, brokerage fees, commissions, bid-offer spreads and licensing fees.

**Tax** means any applicable tax, levy, charge or duty which may be imposed by any governmental or regulatory body.

**Underlying** means the Global Prosper 80 Portfolio (EUR) as described under the “General Description of the Underlying”.

**Weight** means in respect of each Constituent of the Diversified Component on each Rebalancing Date, a number (expressed as a percentage) representing the target market value that an investment in such Constituent represents as a proportion of the market value of an investment in the Diversified Component. The Weight of each Constituent shall remain constant from and including each Rebalancing Date to but excluding the immediately succeeding Rebalancing Date.

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## **TERMS OF THE SHARES REPRESENTING INTERESTS IN THE FUND**

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### **Investment Objective**

The Investment Objective of the Fund is to provide Shareholders of each Class of Share with a return linked to the performance of the Underlying, the Global Prosper 80 Portfolio (EUR), which is comprised of a Diversified Component and the Fixed Income Component, in accordance with the Prosper 80 Strategy, as further described under the “General Description of the Underlying”. The Fund intends to provide investors with protection, on any Dealing Day, of at least 80% of the highest ever Net Asset Value since the Launch Date for each Class of Share (the “**Protected Price**”). **This Fund may not provide full capital protection.**

**Under the terms of the Guarantee, Barclays Bank PLC guarantees to make up any shortfall between the Protected Price and the Repurchase Price per Share in certain circumstances. Investors should read the section headed “Guarantee” below for more details on the Guarantee and how it operates.**

### **Investment Policy**

In order to achieve the Investment Objective, the Company on behalf of the Fund intends to invest the net proceeds of any issue of Shares (whether on the Launch Date or subsequently) in FDIs, Transferable Securities, Money Market Instruments (up to 100% of the net assets of the Fund), other CIS, other Financial Instruments or such other securities, assets or investments in accordance with the Investment Restrictions. Futures contracts will be listed and traded on the Chicago Mercantile Exchange, the Osaka Stock Exchange, Eurozone markets or any recognised derivatives exchange. Any FDI entered into by the Fund will be in accordance with the limits prescribed by the Authority and by law.

All fixed income securities will, at the time of purchase, have received a credit rating of at least investment grade from Standard & Poor's or equivalent or, if unrated, determined to be of equivalent quality on the initial issue date by the Investment Manager.

The Fund may invest in FDIs for direct investment and/or efficient portfolio management purposes in accordance with the Investment Restrictions and in accordance with the Authority Notices. These FDIs may be traded over-the-counter or may be listed or traded on the Markets set out in Appendix I of the Prospectus. These FDIs will be used to hedge risk, to take active risk positions and/or to enhance returns.

The Approved Counterparty and the Company, on behalf of the Fund will enter into an ISDA Master Agreement (and related Credit Support Annex) and confirmations each dated as of a date on or before the Launch Date which will govern the FDIs, including provisions relating to the termination of the FDIs. Following the Launch Date, additional confirmations may be entered into in relation to repurchases of, and subscriptions for, Shares, to adjust the nominal value of the underlying exposure.

Where the Fund invests in one or more FDIs with the Approved Counterparty the Approved Counterparty will be required, under the terms of the relevant swap agreement, to provide Collateral to the Company so that the Company's risk exposure to the relevant Approved Counterparty is reduced to the extent required by the Authority.

In addition, the Investment Manager shall enter into a Put Option with the Put Option Counterparty with an expiry date of October 31<sup>st</sup> 2017. Further information on the Put Option is set out in “General Description of the Underlying”.

Investors will be entitled to, on any Dealing Day, the Net Asset Value per Share on that date, less



any applicable charges or fees.

The Fund Assets will be valued at the Valuation Point on each Dealing Day (as defined under the section entitled “General Information Relating to the Fund”) in order to determine the Net Asset Value of the Fund, in accordance with the rules set out in the Prospectus. If for specific assets the official close of business prices do not, in the opinion of the Administrator, reflect their fair value or are not available, the value shall be calculated with care and in good faith by the Administrator, (being approved by the Custodian as a competent person for such purpose) in consultation with the Investment Manager with a view to establishing the probable realisation value for such assets as at the Valuation Point for the relevant Dealing Day.

The Fund itself will in no circumstances be leveraged for investment purposes and will therefore not be subject to any shortfall risk.

Further information relevant to the Fund’s investment policy is contained in the main part of the Prospectus under “Investment Objectives and Policies” and under “Investment Restrictions”.

### **Subscription Price and Repurchase Price**

The Subscription Price and Repurchase Price at which a Share will be subscribed for or repurchased on a Dealing Day, as the case may be, is the Net Asset Value per share on the relevant Dealing Day, as adjusted in accordance with any applicable fees as described under “Fees and Expenses” section and in accordance with the provisions of this section.

The Net Asset Value per Share will differ on each Dealing Day: (a) as the value of the Fund Assets will increase or decrease over time by reference to the performance of the Underlying; (b) as the fees and expenses in relation to the Fund will accrue over time; and (c) due to dealing charges, taxes and other similar costs and spreads from buying and selling prices of the Fund Assets.

The Net Asset Value per Share may be adjusted in accordance with the Anti-Dilution Levy as defined in the Prospectus. Where there is no dealing in the Fund or Share Class on the relevant Dealing Day, the Repurchase Price will be the unadjusted Net Asset Value per Share rounded downwards to four decimal places.

**Accordingly, you should note that the Net Asset Value per Share at any time may be less than the original value of your investment and you should be prepared to sustain a loss on your investment.**

### **Example**

The table shows certain values of the Underlying on various days (each an “**Underlying Value**”); the percentage change of the Underlying Value, Cash in the Fund, the expected Net Asset Value per Share and the corresponding Protected Price, on the relevant days. The figures included in the following table are purely illustrative and should not be understood as indicators of potential performance of the Fund.

Dealing Day	Underlying Value	Percentage change of the Underlying Value	Cash in the Fund	Net Asset Value per Share (in GBP)	Protected Price (80%)
Launch Date	0.9976		0.0024	1.0000	0.8000
Dealing Day 1	1.0049	0.73%	0.0024	1.0073	0.8058
Dealing Day 2	0.9903	-1.45%	0.0024	0.9927	0.8058
Dealing Day 3	0.9940	0.37%	0.0024	0.9964	0.8058
Dealing Day 4	1.0123	1.84%	0.0024	1.0147	0.8117
Dealing Day 5	1.0123	0.00%	0.0024	1.0147	0.8117

The example shown in the table assumes that the Fund is exposed to the Underlying and holds ancillary cash and is collateralised to the extent required by the Authority, and is receiving the performance of the Underlying through the FDIs (see “Use of FDIs” below). It also assumes a constant investment, with no additional subscriptions or redemptions in the Fund and without

deduction of any fees or expenses.

### **Use of FDIs**

The Fund may be exposed to the Underlying through investing in FDIs with the Approved Counterparty. FDIs will be documented under industry standard contracts and may be terminated early on the occurrence of certain events with respect to either the Fund or an Approved Counterparty including, without limitation, an event of default on the part of one party (for example a failure to pay, breach of agreement, cross-default or bankruptcy) or a termination event (where fault is not attributed to either party, for example illegality or a tax event) or a disruption event. In such cases the FDIs will be settled for an amount determined in line with the industry standard requirements as set out in the relevant contract.

With respect to a funded swap, the Fund will pay the net subscription proceeds to the Approved Counterparty in exchange for the Approved Counterparty paying a return linked to the Underlying. With respect to the unfunded swaps no upfront payments are made to the Approved Counterparty. The value of a funded swap may vary due to restrictions imposed on the hedging instruments and changes or modifications in the hedging instrument and may be terminated or otherwise cancelled in each case in accordance with its terms. If a swap is terminated, the Fund may then enter into new swaps (unless the Directors resolve that it is inadvisable to do so) with an Approved Counterparty.

**The Company on behalf of the Fund has filed with the Authority its risk management policy. The Company will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.**

### **Investment Restrictions**

The general investment restrictions set out under "Funds – Investment Restrictions" in the Prospectus apply to the Fund.

### **Limited Recourse**

A Shareholder will solely be entitled to look to the Fund Assets in respect of all payments in respect of its Shares. If the realised net assets of the Fund are insufficient to pay any amounts payable in respect of the Shares, other than any rights the Shareholders may have under the Guarantee, the Shareholder will have no further right of payment in respect of such Shares nor any claim against or recourse to any of the assets of any other Fund or any other asset of the Company.

Each FDI may contain limited recourse provisions under which the recourse against the Company in respect of any claims arising under or in relation to any FDIs are expressed to be limited to the Fund Assets, and the Approved Counterparty will have no recourse to any other assets of the Company. If following the realisation of the Fund Assets and the application of such realisation proceeds in payment of all claims of the Approved Counterparty relating to the Fund and all other liabilities (if any) of the Company ranking *pari passu* with or senior to such claims which have recourse to the Fund, such claims are not paid in full, (a) the amount outstanding in respect of such claims will be automatically extinguished, (b) the Approved Counterparty will have no further right of payment in respect thereof and (c) the Approved Counterparty will not be able to petition for the winding-up, insolvency or liquidation procedure of the Company as a consequence of any such shortfall.

### **Borrowings**

In accordance with the general provisions set out in the Prospectus under the heading "Funds - Borrowing and Lending Powers", the Company on behalf of the Fund may borrow up to 10% of the Net Asset Value of the Fund on a temporary basis.

## Efficient Portfolio Management

The Fund may, for efficient portfolio management purposes, enter into one or more repurchase transactions (each a "Repo Transaction"), at all times in compliance with the requirements of the Authority. In a Repo Transaction the Fund would purchase securities from the relevant counterparty (the "Repo Counterparty") for an agreed purchase price and the Repo Counterparty would agree to repurchase equivalent securities from the Fund at a repurchase date and repurchase price agreed between them. Any Repo Counterparty must be a financial institution with a minimum credit rating for long-term debt of "A-" by Standard & Poor's, or equivalent. The securities purchased by the Fund under a Repo Transaction will be highly liquid and well-rated securities and be of a kind that will help the Fund mitigate against counterparty risk, in accordance with the Authority's Standard Licence Conditions.

Each and any Repo Transaction entered into by the Fund will be marked to market daily and, if the market value of the securities purchased by the Fund is ever less than the initial purchase price paid by the Fund to initially purchase the securities under the Repo Transaction, then additional equivalent securities will be delivered to the Fund so that the current market value of the securities held by the Fund will, on a daily basis, at least match such purchase price.

By entering into any Repo Transaction, the Fund is not taking any economic exposure to the performance of the relevant securities.

## Currency Hedging

The Fund intends to utilise FDIs to mitigate the impact of fluctuations in currency exchange or FX rates where Fund Assets are in currencies different to the Base Currency. Any FDI could expose the Fund to Approved Counterparty credit risk.

## Dividend Policy

The Directors may, in consultation with the Investment Manager and subject in each case to the Investment Objective of the Fund, declare dividends (the "Ex-Dividend Date") in respect the Class B Shares on any Business Day. Only Shareholders on such Ex-Dividend Date will be entitled to the dividends declared.

Any dividend declared by the Directors may be paid out of the capital of the Fund.

## Listing

No application has been made to list the Shares on any stock exchange. The Directors may, however, seek listing of the Shares on one or more stock exchanges following the Launch Date.

## General Information Relating to the Fund

<b>Base Currency</b>	Euro ("EUR")
<b>Business Day</b>	A day (other than a Saturday or a Sunday) on which: (i) the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET) system is open; (ii) commercial banks and foreign exchange markets are open and settle payments (including dealings in foreign exchange and foreign currency deposits) in Malta, New York, Dublin and London; and (iii) each Clearing System is open for business.
<b>Dealing Day</b>	Any Business Day.
<b>Dealing Deadline</b>	12 pm Central European Time on the relevant Dealing Day.
<b>Subscriptions and Repurchases</b>	All subscriptions and repurchases can only take place through the Distributor or the Sub-Distributor.
<b>Launch Date</b>	The Fund launched on 5 May 2007.

<b>Minimum Fund Size</b>	Euro 2,000,000
<b>Valuation Point</b>	5 pm (New York time) on the relevant Dealing Day by reference to which the Net Asset Value per Class of Share of the Fund is determined.  If for specific assets the official close of business prices do not, in the opinion of the Administrator, reflect their fair value or are not available, the value shall be calculated with care and in good faith by the Administrator, (being approved by the Custodian as a competent person for such purpose) in consultation with the Investment Manager with a view to establishing the probable realisation value for such assets as at the Valuation Point for the relevant Dealing Day.
<b>Settlement</b>	Three Business Days after the relevant Dealing Day.

### Description of the Shares

<b>Classes of Shares</b>	<b>"A"</b>	<b>"B"</b>
<b>ISIN Code</b>	MT0000074386	MT0000074394
<b>Initial Issue Price</b>	Euro 100.000	Euro 100.000
<b>Minimum Initial Investment Amount</b>	No Minimum Initial Investment Amount	No Minimum Initial Investment Amount
<b>Minimum Additional Investment Amount</b>	Euro 1.00	Euro 1.00

### Fees and Expenses

The following fees will be incurred on each Class of Share by Shareholders (which accordingly will not be incurred by the Company on behalf of the Fund and will not affect the Net Asset Value of the Fund):

<b>Classes of Shares</b>	<b>"A"</b>	<b>"B"</b>
<b>Exchange Charge</b>	No charge	No charge
<b>Preliminary Charge</b>	Up to 5% of the Net Asset Value per Share. *	Up to 5% of the Net Asset Value per Share. *
<b>Repurchase Charge</b>	Up to 3% of the Net Asset Value per Share. *	Up to 3% of the Net Asset Value per Share. *

\* Payable to the Distributor or Sub-Distributor

The following fees and expenses will be incurred by the Company on behalf the Fund and will affect the Net Asset Value of the Fund.

<b>Classes of Shares</b>	<b>"A"</b>	<b>"B"</b>
<b>Investment Management Fees per Share<sup>1</sup></b>	Up to 1.60% of the Net Asset Value of the Fund.	Up to 1.60% of the Net Asset Value of the Fund.
<b>Protection Fee</b>	The Guarantor will charge 0.80% p.a. of the Net Asset Value as a protection fee under the Put Option in order to provide the Protected Price.	
<b>Fixed Fee per Share<sup>2</sup></b>	Not expected to exceed 0.20% per annum	Not expected to exceed 0.20% per annum

<sup>1</sup> Upon the Occurrence of a Fixed Income Trigger Event, the Investment Management Fee may be reduced by the Investment Manager, as far as practicable, in order to achieve the Investment Objective. The Investment Management Fees, which are a percentage of the Net Asset Value of the relevant Class of Share (plus VAT, if any), are payable by the Company out of the Fund Assets to the Investment Manager. The fee will accrue daily and be calculated on each Dealing Day and paid quarterly. The Investment Manager will pay out of Investment Management Fees (and not out of the Fund Assets) the fees of the Distributor and Sub-Distributors or any third party. Neither the Investment Manager, the Distributor, the Sub-Distributor nor any third party will be entitled to be reimbursed out of the Fund for their respective out-of-pocket expenses.

<sup>2</sup> The Fixed Fee, which is a percentage of the Net Asset Value of the relevant Class of Share, is payable by the Company for the Fund and is in respect of the ordinary fees, expenses and costs incurred by the Fund that include Transaction Fees and Administrative Expenses (including the Administrator's Fees, the Custodian's Fees, the Setting up Costs and other Administrative Expenses) as further described in the Prospectus. **The Fixed Fee expressly excludes the Fees of the Investment Manager and Extraordinary Expenses.**

**Both Investment Management Fees and Fixed Fees will be applied in addition to the transaction costs described below.**

The performance of the Fund will be calculated net of various transaction costs of investing in Fund Assets including, but not limited to, trading and administrative costs of hedging including swap fees, index costs and index transaction costs, transactional charges, collateral costs, brokerage charges, commissions, bid-offer spreads and licensing fees.

This section headed "Fees and Expenses" should be read in conjunction with the section headed "Fees and Expenses" in the Prospectus.

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## GENERAL DESCRIPTION OF THE UNDERLYING

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### General Description

The Underlying, Global Prosper 80 Portfolio (EUR) reflects the performance of two components; a **Diversified Component** which provides exposure to assets in the equities (including equity volatility), fixed income, currencies and commodity markets, and a **Fixed Income Component**, which provides exposure to money market instruments; each a “**Portfolio Component**” in accordance with the application of the “**Prosper 80 Strategy**” (defined below).

### Prosper 80 Strategy

The Prosper 80 Strategy is a dynamic allocation strategy that manages the balance of assets between the Portfolio Components in order to preserve 80% of the highest ever value achieved by the Fund. The Prosper 80 Strategy can have a maximum allocation of 100% of the value of the Underlying to either the Diversified Component or the Fixed Income Component as further described below.

The methodology of the Prosper 80 Strategy applies a disciplined and formulaic approach to investment performance. When the Diversified Component's value is increasing the Underlying's exposure to the Diversified Component will be increased up to 100% and then maintained at this level. When the Diversified Component's value falls, the mechanism forces the Underlying to reduce its exposure to the Diversified Component down to zero if required. The Underlying may be up to 100% exposed to the Diversified Component and, upon the occurrence of a Cash Trigger Event, will be 100% exposed to the Fixed Income Component.

The relative weightings in the Diversified Component and the Fixed Income Component will be determined by the Prosper 80 Strategy on a daily basis depending on the occurrence of an Allocation Trigger Event (described further below). The likelihood of such occurrence is highly influenced on any Business Day by (i) the “Cushion” and (ii) the “Multiplier” (see below).

### Multiplier and Investment Level

The Multiplier means a factor determined by the Calculation Agent that is based on an estimated maximum loss that can occur on any Business Day in respect of the Diversified Component and used to determine the Underlying's participation to the Diversified Component. The minimum value of the Multiplier is 4.5, the maximum is 5.5 and the Target Multiplier is 5.

The amount of the Underlying allocated to the Diversified Component on any Business Day is expressed by the **Investment Level**. The Investment Level is determined on each Business Day based on the product of the Multiplier and the Cushion, where the Cushion represents the difference between the value of the Underlying on the previous Business Day and the amount required to be invested in the Fixed Income Component on that Business Day to preserve 80% of the highest ever value of the Underlying on the next Dealing Date.

### *Initial Investment Level*

The initial Investment Level allocated to the Diversified Component on the Launch Date was 100%.

### *Ongoing Investment Levels*

On any day, the Calculation Agent after an Allocation Trigger Event (described below) will adjust the Investment Level in the Diversified Component to the lower of (i) the product of the Target Multiplier and the Cushion and (ii) 100%.

An Allocation Trigger Event occurs when:

(I) (Value of the Diversified Component) / (Value of the Underlying times the Cushion) > Maximum Multiplier;

Or

(ii) (Value of the Diversified Component) / (Value of the Underlying times the Cushion) < Minimum Multiplier.

#### Fixed Income Trigger Event

Unfavourable market moves may cause a Fixed Income Trigger Event to occur, where the Cushion value is equal to or less than 2%, with the result that there will be no allocation to the Diversified Component. In that case the Underlying will comprise a 100% allocation to the Fixed Income Component. However, should the Cushion value subsequently return above 2%, the Prosper 80 Strategy will reallocate all or part of the exposure of the Underlying to the Diversified Component.

### Description of the Portfolio Components

#### The Diversified Component

The Diversified Component has been constructed so as to reflect the performance of a notional allocation to a diversified basket of well established market benchmarks across a number of sectors and asset classes, including equity (including equity volatility), fixed income, currency and commodity related securities.

The composition of the Diversified Component of the Portfolio is based on the Barclays Alpha Variance (BAV) Model (the “**Model**”). The Model is systematic and employs a well defined quantitative methodology that determines the Weight of each Constituent based on its historical volatility and expected returns. The Model is run on each Monthly Rebalancing Date to determine the optimal allocation in the Diversified Component in order to generate a portfolio that meets the Diversified Component Criteria set out below. Between two Monthly Rebalancing Dates, the Investment Manager may in its sole discretion adjust the Weight of each Constituent with the aim of adjusting the risk in the portfolio in order to take into account for any event or perception of increased market fear since the last rebalancing date.

#### The Diversified Component Criteria

On each Rebalancing Date, the Weight in respect of each **Constituent** will be set within the indicative minimum and maximum weight limits for each asset class as shown below. Negative weight indicates that a “short” exposure can be taken in a particular constituent by selling the corresponding contract. The maximum total weight of all Constituents of the Diversified Component on any Rebalancing Date will be equal to 100%. For the avoidance of doubt, any negative exposure will not be deducted against a positive exposure and the absolute value of all such exposures will be used in determining the total weight of the Diversified Component.

The Investment Manager may change the Weight in respect of or add, replace or remove a Constituent of the Diversified Component and/or include in the Diversified Component other alternative assets from time to time. The weight limits below may also change upon the occurrence of a Disruption Event.

Asset Class	Minimum	Maximum
Money Market	0%	100%
Fixed Income	-80%	100%
Equity	-80%	85%
Commodity	-20%	30%
Equity Volatility	-5%	5%
Currency	-20%	20%

Constituents within each Asset Class may include, but are not limited to, the examples listed below:

- Money Markets: cash deposits and derivatives linked to Money Market Instruments;
- Fixed Income: fixed and floating government and corporate bonds, inflation-linked securities;
- Equity: global or regional equity indices, including emerging markets equities, equity sector indices and infrastructure indices, equity baskets;
- Commodity: derivatives linked to commodity indices;
- Equity Volatility: derivatives linked to the volatility of equities and equity indices;
- Currency: global currencies (including emerging market currencies).

The monthly allocation to Constituents will be disclosed periodically to investors through factsheets.

### **The Fixed Income Component**

The Fixed Income Component comprises a wide range of money market instruments. As of the date of this Supplement the Fixed Income Component may comprise cash deposits, as well as non-subordinated debt issued by the governments of France, Germany, the Netherlands, Belgium, United Kingdom and the US with short dated maturities and derivatives linked to Money Market Instruments. The Investment Manager has the right to amend, replace or add other suitable Money Market Instruments in its sole discretion.

### **Put Option**

The Fund shall enter into a Put Option with the Put Option Counterparty with an expiry date of October 31<sup>st</sup> 2017. The purpose of the Put Option is to protect the Fund against any shortfall where the Protected Price is not achieved through the sale of the Fund Assets on any Dealing Day, or caused by a loss incurred in the Fund in respect of the Portfolio Components, which may arise from a failure of the Prosper 80 Strategy.

**However, the Put Option is subject to several (i) disinvestment events (which may lead to termination if no remedial of the disinvestment event is possible); (ii) termination events and (iii) events which may result in a reduction in the payout under the Put Option. Potential investors should therefore read this section carefully and understand the circumstances in which such reduction or non-payment may occur as set out below..**

If the Put Option is terminated, or if upon maturity of the Put Option for any reason the Fund is unable to enter into a new Put Option with the Put Option Counterparty and no replacement instrument is available, the Fund may not be able to achieve the Investment Objective and may be terminated by the Directors.

#### *(i) Disinvestment Events*

The Put Option contains the following events, which, if any occurs, may lead to the allocation to the Diversified Component being reduced to zero and the Portfolio being 100% allocated to the Fixed Income Component until such events (if capable of being so) are remedied. If no remedy is possible, the Put Option may be terminated. These events include: failure by the Investment Manager or Administrator to provide information or to pay fees to the Allocation Agent; any breach of the investment guidelines agreed with the Allocation Agent; resignation or replacement of the Investment Manager or Administrator; activities of either the Fund or the Investment Manager are in breach of any law, rule or any applicable regulation; action taken by a taxation authority that has a material adverse economic effect; or a breach of the terms of this Supplement or Investment Management Agreement that remains unremedied for 10 days.

#### *(ii) Termination Events of the Put Option*

The Put Option may be terminated in accordance with its terms: (i) upon a default or termination event; (ii) the allocation agreement is terminated; (iii) any of the Fund, the Custodian, the Administrator or the Investment Manager is subject to an insolvency; or (iv) the Fund is terminated.



*(iii) Reduction of Put Option payout*

The payout under the Put Option may be reduced and as a result the Protected Price may not be achieved in the case of a material adverse economic effect caused by action taken towards the Investment Manager or the Fund of a taxation authority, or any default or failure of the Investment Manager, the Company on behalf of the Fund, its directors, any agent of the Fund, the Administrator or the Custodian to perform any of their obligations in relation to the Fund or the Allocation Agent.

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## GUARANTEE

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Barclays Bank PLC as guarantor shall issue a deed of guarantee for the benefit of Shareholders in respect of the shortfall (if any) (the "**Shortfall**") between (a) the Protected Price and (b) the Repurchase Price per Share (to the extent any part of such Shortfall remains unsatisfied through payments from (i) the Put Option, (ii) the FDIs or (iii) application of the Collateral) on any Dealing Day, with the intention that investors who subscribe for Shares will receive at least the Protected Price (before deduction or withholding of Tax).

In the event all or part of the Shortfall remains unsatisfied as described above, the Guarantor will, upon the calling on the Guarantee by the Guarantee Claims Agent on any Business Day pay to the Guarantee Claims Agent such Shortfall or portion thereof which is unsatisfied, provided that the maximum liability of the Guarantor will be limited to the product of the Protected Price and the number of Shares in issue as at, and repurchased on, on such Dealing Day.

The Guarantor's obligation to make payment under the Guarantee shall terminate automatically if it is determined by the Administrator that the Net Asset Value per Share as at, and repurchased on any Business Day is greater than or equal to the Protected Price. The Guarantor's obligations shall also terminate if no demand is made by the Guarantee Claims Agent prior to the Settlement Date in relation to the repurchase of any Share or, if a demand is made by the Guarantee Claims Agent under the terms of the Guarantee, once payment of such demand is made in full by the Guarantor to the Guarantee Claims Agent.

Where a Shortfall exists in relation to a Share and where the Guarantee Claims Agent has called upon the Guarantee in accordance with the terms of the Guarantee, it is expected that the Guarantee Claims Agent will pay any such Shortfall to the relevant Shareholder no later than 10 (ten) Business Days after the Settlement Date of such Share.

For the avoidance of doubt, neither the Guarantor nor the Guarantee Claims Agent shall be liable for any loss or diminution in the assets of the Fund after the calculation of the Net Asset Value per Share on any Business Day or for any failure of the Company, its directors, any agent of the Fund (including, without limitation, the Investment Manager of the Fund, if the Investment Manager is not a division of Barclays Bank PLC), the Administrator or the Guarantee Claims Agent or any other party to perform any of their obligations in relation to the Fund or the Shareholders or to pay any redemption proceeds to each Shareholder.

The attention of investors is also drawn to the terms of the Guarantee which provide that where the Guarantor has made a payment to the Guarantee Claims Agent under the Guarantee, it shall be discharged and released from any further obligations thereunder notwithstanding certain subsequent events.

If under any applicable law the Guarantor is required to make any payment under the Guarantee subject to Taxes, then the Guarantor shall be entitled to deduct or withhold from any payment to be made under the Guarantee, the amount of such Taxes so that the Guarantee Claims Agent acting on behalf of the Fund shall receive from the Guarantor an amount after taking into account the amount of such deductions or withholdings. In no circumstances shall the Guarantor be under any obligation to make any additional payment under the Guarantee in respect of such deductions or withholdings.

The Guarantee is an unconditional and irrevocable first demand guarantee and governed by English law. A copy of the deed of guarantee is available for inspection at the offices of the Guarantee Claims Agent. The Guarantee does not give any assurance as to the future solvency of the Guarantor itself. Shareholders should also note that Shares in the Fund may be compulsorily repurchased in certain circumstances as described under "Mandatory Repurchases" in the Prospectus and that Shares repurchased in such circumstances will not have the benefit of the Guarantee.

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## ***OTHER INFORMATION***

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### **Miscellaneous**

The Company has the following Funds established as at the date of this Supplement namely:

1. Absolute HF Return Fund
2. Alpha Growth HF Return Fund
3. Enhanced Multi-Strategy Dynamic Fund
4. Beta Value HF Return Fund
5. Focus HF Return Fund
6. Reflex HF Return Fund
7. Smart HF Return
8. Summit HF Return Fund
9. Fondo Doppio Passo
10. Revolution Fund
11. Barclays Dynamic Tracker Fund
12. Barclays Dynamic 70 Tracker Fund
13. Barclays Dynamic 80 Tracker Fund
14. Barclays Dynamic 90 Tracker Fund
15. Diversified Fixed Income Plus Guaranteed Fund
16. DFD Cash Plus 200 (EUR) Fund
17. ICI Fund (EUR)
18. CAR Long Short Fund
19. SEB Garantifond 80 (SEK)
20. Barclays RMF Diversified Index (EUR) Fund
21. Target Alpha Program 4 (EUR) Fund
22. Barclays GLG Diversified Index (EUR) Fund
23. Long/Short Allocator Fund

An English version of a term-sheet summarising the general terms of all derivative contracts, such as index swap agreements, are available to investors upon request at the Company's registered office.

## Disclaimers

THE DIRECTORS OF THE COMPANY, THE INVESTMENT MANAGER AND THE DISTRIBUTOR, TOGETHER THE "RESPONSIBLE PARTIES" DO NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF ANY DESCRIPTION RELATING TO THE PORTFOLIO OR STRATEGY OR ANY DATA INCLUDED HEREIN AND THE RESPONSIBLE PARTIES SHALL HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS HEREIN. THE APPROVED RESPONSIBLE PARTIES MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE FUND, ANY SHAREHOLDER IN THE FUND, OR TO ANY OTHER PERSON OR ENTITY IN RESPECT OF THE FUND DESCRIBED HEREIN.

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