

**Mitteilung an alle Anteilseigner der CLARION Fonds**

Anbei finden Sie die Information der Fondsgesellschaft CLARION, folgende Fonds sind betroffen:

GG00B1Z72400 - Clarion EUR Balanced Fd Dis  
GB00B3FC4Z40 - Clarion Sterling Growth Plus Cap  
GB00B1Z4X712 - Clarion USD Balanced Fd Cap  
GG00B41X6V84 - Clarion Property Income Fund Dis  
GG00B2Q64K30 - Clarion Property Fund Cap  
GB00B0NLTJ12 - Clarion Flexia Balanced Cap  
GB00B0NLTD59 - Clarion Flexia Cautious Cap  
GB00B0NLTG80 - Clarion Flexia Adventurous Cap  
GB00B0NHBH10 - Clarion Sterling Balanced Fd Cap

Details können Sie der beigefügten Anlage entnehmen. Falls Ihre Kunden diesen Änderungen nicht zustimmen und die Möglichkeit besteht, die Anteile ohne Gebühren seitens der Fondsgesellschaft zurückzugeben, können Sie den Verkauf der Anteile direkt in MoventumOffice erfassen.

Bitte nehmen Sie zur Kenntnis, dass für die Abwicklung dieser Aufträge die im Preis- und Leistungsverzeichnis von Moventum ausgewiesenen Gebühren und die auf MoventumOffice angegebenen Annahmeschlusszeiten gelten.

**LETTER FROM THE MANAGER**  
**CLARION MULTICLASS FUND**  
**(the "Fund")**

*(a multi-class unit trust established under the laws of Guernsey as an authorised open-ended collective investment scheme of Class B)*

*Registered office:*  
PO Box 354  
Suite 4  
Weighbridge House  
Lower Pollet  
St Peter Port  
Guernsey  
Channel Islands  
GY1 3XF

*Directors:*  
Clive Standish-White  
Bredin Harding  
Shaun McDade  
Stuart Place

19 March 2010

*To the holders of Units in the Fund (the "Unitholders")*

Dear Unitholder,

We are writing to inform you that it is proposed to vary the Trust Instrument in order to permit the Manager and the Trustee to properly manage, in the interests of all Unitholders, Illiquid Investments held within any Class Funds of the Fund. After discussions between the board of directors of the Manager, the Investment Management Committee of the Manager, and the Trustee, the Manager and the Trustee each resolved that it would be in the best interest of the Fund to recommend the Proposal to the Unitholders.

The purpose of this document is to provide you with details of the Proposal and to seek your approval to the Proposal. If the Extraordinary Resolutions set out in the Notice are passed and the consent of the GFSC or confirmation that it has no comment is obtained, then the Trust Instrument will be varied with effect from the Effective Date.

**Proposed Treatment of Illiquid Investments within the Fund**

Investments made by Class Funds of the Fund may be or become and remain illiquid for an extended period. Such Investments pose valuation problems for the period during which they are illiquid and it may not be possible to attribute a fair value to them.

The Manager and the Trustee have therefore proposed that special arrangements be incorporated in the Trust Instrument to protect the interests of all Unitholders if such circumstances arise. The following is a summary of the matters that will be included in the Trust Instrument in relation to the treatment of Illiquid Investments if the Proposal is approved:

- a) Where an Investment, in the opinion of the Manager with the approval of the Trustee, becomes illiquid, it will be transferred into a special unit account and a separate class of Units

will be issued in respect thereof (all such classes collectively referred to herein as “S Units”). The Net Asset Value of the Units in a Class Fund will be reduced by the value of each Illiquid Investment transferred from such Class Fund into S Units, and such Illiquid Investment will not be included in subsequent calculations of the Net Asset Value of each Units in that Class Fund. The valuation ascribed to any Illiquid Investments in a Class Fund attributable to the S Units (each, an “S Unit Account”) will be the last reported or estimated valuation provided by the Illiquid Investment’s administrator. Subsequent estimated valuations will be based upon valuations provided by the Investment’s administrator, but these may be infrequent. An estimated net asset value of each class of S Units will be calculated and published each month. The S Units’ valuation will be net of the Manager’s fee, which fee will be calculated at each Valuation Point and accrue for the length of time that the assets remain illiquid. Upon the realisation of the Illiquid Investment or if it otherwise ceases to be illiquid, an adjustment will be made to the accrued Manager’s fee to reflect the realisation value of the Illiquid Investment (if it is realised) or the most recent valuation provided by the administrator of that Illiquid Investment (if it is not realised). The Manager’s fee with respect to an S Unit Account will only become due and payable if and once all the underlying Illiquid Investments in such S Unit Account are either (i) no longer deemed to be illiquid and have been transferred back to the main account for the relevant Class Fund; (ii) realised, or (iii) written off. No Manager’s fees with respect to an S Unit Account will be payable if the S Units have no value at all.

- b) Holders of Units in a Class Fund at the time any Investment is deemed illiquid will have a proportionate interest in that Illiquid Investment via their holding in S Units even if they subsequently redeem their Units. Holders of Units issued on or after the Dealing Day in respect of which any Investment is deemed illiquid and transferred into an S Unit Account will have no right to participate in any return from it. There may be more than one class of S Units, depending upon the timing of any Investment becoming illiquid.
- c) Holders of Units at the date of issue of S Units will have a right to any proceeds of realisation or income received from the related Illiquid Investment.
- d) S Units will not be redeemable at the option of the holder thereof. A holder of S Units may redeem his Units but will retain S Units until all of the Illiquid Investments in the S Unit Account for which such S Units have been issued are (i) no longer deemed to be illiquid and have been transferred back to the main account for the relevant Class Fund; (ii) realised, or (iii) written off. At the time an Illiquid Investment in an S Unit Account becomes liquid, in the opinion of the Manager with the approval of the Trustee, holders of S Units will be afforded an opportunity, in the sole discretion of the Manager, to elect to either to receive a cash payment in satisfaction of the redemption of their S Units or have their S Units converted into an equivalent value of Units denominated in such currency as their original investment in Units at the time of issue of the S Units. In the latter scenario, the Illiquid Investments in the S Unit Account (less any amount paid to those holders of S Units who have elected to redeem their S Units) will be transferred back into the main account for the Class Fund and the Net Asset Value of the Class Fund will be increased accordingly. If the relevant Illiquid Investment is disposed of prior to being transferred to the main account for the Class Fund, the proceeds from such disposition (less any amount paid to those holders of S Units who have elected to redeem their S Units) will be transferred into the main account for the Class Fund and the Net Asset Value of that Class Fund will be increased accordingly. At any time that an S Unit Account has no assets or if all of the assets in an S Unit Account have no value (as determined by reference to the valuation of the underlying Illiquid Investment provided by its administrator or as determined by the Manager, with the approval of Trustee), then the relevant S Units shall be redeemed with nil value and the S Units cancelled.

- e) The issue of such S Units will only be made in circumstances where the Manager, with the approval of the Trustee, believes that to do so is in the best interests of the relevant Class Fund.
- f) Unitholders will be provided with full details of any adjustments to their holdings resulting from operation of the procedure set forth above. The audited financial statements for each Class Fund will give details of that Class Fund's current holdings of Illiquid Investments, including any changes to the valuations of such Illiquid Investments.

### **Proposed Special Fee Arrangements for S Unit Accounts**

If the Proposal is approved the following fees will apply in relation to any S Units created in a Class Fund:

#### *Fees of the Manager*

For the purposes of calculating the fees of the Manager attributable to the assets held in any S Unit Accounts the normal provisions shall apply except that such fees will be calculated at each Valuation Point and accrue for the length of time that the assets of the S Unit Account remain illiquid. Upon the realisation of the Illiquid Investment or if it is no longer deemed to be illiquid by the Manager, with the approval of the Trustee, an adjustment will be made to the accrued management fee to reflect the realisation value of the asset (if it is realised) or the most recent valuation provided by the Illiquid Investment's administrator (if it is not realised). The management fee with respect to an S Unit Account will only be payable once all of the underlying assets in such S Unit Account are either: (i) no longer deemed to be illiquid and are transferred to the main account for the relevant Class Fund; (ii) realised, or (iii) written off. Subject to the consent of the Manager and the Trustee, up to 100% of the accrued management fee may be paid in specie to the Manager by the transfer to it or its nominee of the underlying assets of the S Unit Account (regardless of any apparent illiquidity) of a value equal to the amount of fees accrued. Any such in specie payment shall be carried out in accordance with the Rules and applicable law.

#### *Fees of the Trustee*

The Manager has agreed with the Trustee that the Trustee shall be entitled to a fee equal to 0.10 per cent. per annum of the S Unit Account's Net Asset Value payable monthly in arrears in respect of each class of S Units of the relevant Class Fund in issue from time to time (the "**S Unit Trustee Fee**"). In addition, the Trustee is entitled to charge a fee of £50 per transaction. The first two years' worth of the S Unit Trustee Fee shall be held in cash on the establishment of each class of S Units. Thereafter, the S Unit Trustee Fee shall continue to be payable whilst such S Units remain in issue.

The S Unit Trustee Fee shall be payable from the assets of the Class Fund attributable to the ordinary Units from which such S Units were derived or from the assets attributable to the Class Fund generally, as may be determined by the Manager in its absolute discretion. For the avoidance of doubt, the S Unit Trustee Fee is not payable from the assets of the Class Fund attributable to any S Unit Accounts in existence from time to time.

#### *Fees of the Administrator*

The Manager has agreed with the Administrator that the Administrator shall be entitled to a one-off fee of £1,000 (or currency equivalent) (the "**S Unit Set Up Fee**") and a fee equal to 0.25 per cent. per annum of the Net Asset Value of each S Unit Account plus £3,000.00 per annum payable monthly in arrears (or currency equivalent) in respect of each class of S Units of a Class Fund in issue from time to time (collectively, the "**S Unit Administration Fee**"). In addition, the Administrator is entitled to charge a fee of £50 per transaction. The S Unit Set Up Fee and the first two years' worth of the S Unit

Annual Administration Fee shall be held in cash on the establishment of each class of S Units. Thereafter, the S Unit Annual Administration Fee shall continue to be payable whilst such S Units remain in issue.

The S Unit Administration Fee shall be payable from the assets of the Class Fund attributable to the ordinary Units from which such S Units were derived or from the assets attributable to the Class Fund generally, as may be determined by the Manager in its absolute discretion. For the avoidance of doubt, the S Unit Administration Fee is not payable from the assets of a Class Fund attributable to any S Unit Accounts in existence from time to time.

The Manager, the Trustee, and the Administrator will each take reasonable care to ensure that there is no double-charging of fees between different classes of Unit in any Class Fund.

### **Conditions**

The Proposal requires approval of the Unitholders by way of an extraordinary resolution and also requires the consent of the GFSC or confirmation that the GFSC has no comment.

### **Meeting of the Unitholders of the Fund**

The Meeting is being called for 16 April 2010 at 9.30 a.m.. Notice of the Meeting is set out in Appendix 1. The Notice sets out the Extraordinary Resolutions to be proposed at the Meeting.

The quorum for the Meeting is Unitholders present in person or by proxy, registered as holding in aggregate one-twentieth of the Units for the time being in issue. A majority of not less than 75% of the total number of votes cast is required to pass the Extraordinary Resolutions. At the Meeting, the Extraordinary Resolutions shall be decided on a show of hands (unless a poll is demanded by the Chairman or by one or more Unitholders present in person or by proxy and registered as holding in aggregate one-tenth of the Units for the time being in issue) and on a show of hands, every Unitholder who is present in person or by proxy shall have one vote.

If, within half an hour from the appointed time for the Meeting, a quorum is not present, then the Meeting will be adjourned to such day and time not being less than fifteen days thereafter and to such place as may be appointed by the Chairman of the Meeting and, at such adjourned meeting, the Unitholder or Unitholders present in person or by proxy shall be a quorum.

### **Proposal to be binding**

If the Extraordinary Resolutions are duly passed at the Meeting and the consent of the GFSC or confirmation that the GFSC has no comment is obtained, then the Proposal will be binding on all Unitholders, whether or not they voted in favour of the Extraordinary Resolutions, or voted at all and the Trust Instrument will be varied on the Effective Date.

If the Extraordinary Resolutions are not passed and the consent of the GFSC or confirmation that it has no comment are not obtained, then the Proposal will not become effective and no effect will be given to the proposed variation of the Trust Instrument.

### **Expenses**

The costs of preparing this Notice and effecting the Proposal are estimated to be £[ ] and these costs will be met by the Fund.

### **Documents Available for Inspection**

Copies of the following documents will be available for inspection at Valley House, Hirzel Street, St. Peter Port, Guernsey, Channel Islands on each Business Day during normal business hours from the date of this Notice until the Effective Date:

- the current Trust Instrument;
- the current scheme particulars and supplemental scheme particulars relating to the Fund and each Class Fund; and
- the proposed Supplemental Trust Instrument to be approved pursuant to the Proposal.

### **Further Information**

Unitholders should direct any enquiries concerning this proposal to Legis Fund Services Limited, PO Box 186, 1 Le Marchant Street, St. Peter Port, Guernsey, GY1 4HP, Channel Islands, Telephone: +44 (0) 1481 732188, Facsimile: +44 (0) 1481 712167 or to Hazel Kelling of Argyll Investment Services Limited, PO Box 385, Suite 4, Weighbridge House, Lower Pollet, St. Peter Port, Guernsey GY1 3XF, Telephone: +44 (0) 1481 740044, Facsimile: +44 (0) 1481 727355.

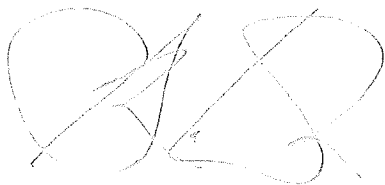
No information other than that which is contained within this document will be given.

### **Recommendation**

In the opinion of the Manager, the Proposal as described in this Notice is in the best interests of Unitholders. Accordingly, Unitholders are recommended to vote in favour of the Extraordinary Resolutions. If you are in any doubt as to the action you should take, you are recommended to seek immediately your own personal financial advice from your stockbroker, bank manager, solicitor, accountant, or other independent professional adviser authorised under the Financial Services and Markets Act 2000, if you are based in the United Kingdom.

**To avoid the inconvenience of calling an adjourned meeting, we ask Unitholders to complete the enclosed proxy form and return it to Legis Fund Services Limited, PO Box 186, 1 Le Marchant Street, St. Peter Port, Guernsey, Channel Islands no later than 48 hours before the time of the Meeting. This will not preclude Unitholders from attending and voting in person at the Meeting or at any adjournment thereof.**

Yours faithfully,



Clive Standish-White  
Director

**For and on behalf of Argyll Investment Services Limited**