

Mitteilung an alle Anteilseigner der Traditional Global Emerging Markets Fonds

Anbei finden Sie eine Information der Fondsgesellschaft Traditional Funds PLC, Dublin.
Folgende Fonds betroffen sind:

IE0032606182 Traditional Global Emerging Markets GBP Dis
IE0032605994 Traditional Global Emerging Markets DIS

This document is important and requires your immediate attention. If you are in any doubt as to the action you should take you should immediately consult your stockbroker, bank manager, solicitor, tax adviser and other independent financial adviser. If you have sold or transferred all your shares in the Global Emerging Markets Fund or the Emerging Asia Fund of Traditional Funds plc, please forward this document to the purchaser or transferee, or to the stockbroker, bank manager or other agent through whom the sale or transfer was effected.

Traditional Funds plc

08 NOV 2010

To: *Holders of Euro Distributing, Euro Accumulating, Sterling Distributing, US Dollar Distributing and US Dollar Accumulating Class Shares of the Global Emerging Markets Fund; and*

Holders of Class A US Dollar Accumulating, Class A Euro Accumulating, Class A Sterling Distributing, Class B Euro Accumulating, Class B Euro Distributing, Class B Sterling Distributing, Class B US Dollar Distributing and Class B US Dollar Accumulating Shares of the Emerging Asia Fund,

(together, the "Shareholders")

8 November 2010

Dear Shareholders,

Provision of Investment Management Services in respect of the Global Emerging Markets Fund (the "GEM Fund" and a "Fund") and the Emerging Asia Fund (the "Asia Fund" and a "Fund") of Traditional Funds plc (the "Company") by Nevsky Capital LLP ("Nevsky Capital")

As you will be aware from the Company's Prospectus, Nevsky Capital acts as investment manager of the GEM Fund and the Asia Fund, as well as the Company's Eastern European Fund.

We are writing to inform you that the Company has received six months' notice from Nevsky Capital that it will step down as investment manager of both the GEM Fund and the Asia Fund.

Nevsky Capital will continue as investment manager of the Eastern European Fund.

As at 3 November, 2010 the Net Asset Value of the respective investment portfolios of the GEM Fund and the Asia Fund was as follows:

GEM Fund - US\$3,250,866,554.80

Asia Fund - US\$182,760,368.14

Georges Court, 54-62 Townsend Street, Dublin 2, Ireland. Tel +353 1 542 2000 Fax + 353 1542 2920

Registered in Ireland No. 302305. Registered office at the above address. VAT Registration No. IE 6322305U

An open-ended umbrella type investment company with variable capital incorporated with limited liability under the laws of Ireland and authorised by the Central Bank of Ireland as an investment company pursuant to the UCITS Regulations with segregated liability between sub-funds

Directors: J. Fitzpatrick (IE), L. Greenlees (GB), D. Hammond (Chairman) (IE), V Holmes (GB), G. Moloney (IE).



Funds Managed by Thames River Capital LLP

The Company's funds which are managed by Thames River Capital LLP are not affected by these announcements.

Reasons for Nevsky Capital's Decision to Step Down as Investment Manager

Nevsky Capital has acted as investment manager of the GEM Fund since January 2007. Prior to this date, and from the launch of the GEM Fund, investment management services were provided by members of Nevsky Capital's investment management team as part of Thames River Capital. Nevsky Capital has acted as investment manager of the Asia Fund since its establishment in November 2007.

In managing both Funds, Nevsky Capital maintains a large team of investment managers and analysts covering, in respect of the GEM Fund, the Asian, Latin American and Europe, Middle East and Africa (EMEA) markets and, in respect of the Asia Fund, the Asian markets.

We have been advised by Nevsky Capital that two senior members of its team of investment specialists, who it believes to be important to its long term strategy in respect of the GEM Fund, have indicated that they no longer plan to continue as fund managers.

Whilst Nevsky Capital continues to maintain a strong team of investment managers and analysts covering all the markets in which the GEM Fund and Asia Fund respectively invest, in view of these developments Nevsky Capital feels that beyond its six month notice period it may not be able to offer the comprehensive emerging market coverage which it believes to be appropriate to its long term strategy in respect of the GEM Fund and the Asia Fund.

As a result Nevsky Capital has informed us that it believes the proper and transparent course of action is for it to give the Company six months' notice of termination of its management of both Funds.

Nevsky Capital has confirmed to the Directors that the two principal managers responsible for managing the Eastern European Fund are and remain committed to continuing the management of the Eastern European Fund on an unchanged basis. In view of these confirmations, the Directors have agreed to Nevsky Capital's request to continue as investment manager of the Eastern European Fund.

Investment Management during the Notice Period

Nevsky Capital has confirmed to the Company that it will continue to manage both the GEM Fund and the Asia Fund for the remainder of its period of appointment (i.e. until 8 May, 2011 or such earlier date as may be agreed and notified to Shareholders in the relevant Fund) and remains fully committed to each Fund's investment strategy and to managing each Fund in accordance with its investment objective and policy during this period.

Operation of the Funds During the Notice Period

In the meantime, the Directors fully intend that both the GEM Fund and the Asia Fund should continue to operate on a normal basis and in accordance with their respective terms of dealing for both subscriptions and redemptions.

In this regard, and in order to protect the interests of all investors in each of the Funds, the Directors have determined in line with the Funds' dealing terms that the deadline for receipt of subscription and redemption instructions for each Dealing Day commencing on and from 9 November, 2010 be brought forward from its current time of 1.00 p.m. (Dublin time) on each Dealing Day to **4.00 p.m. (Dublin time) on the preceding Dealing Day**. The objective of this change is to ensure that Nevsky Capital has sufficient notice of impending subscriptions and redemptions to seek to facilitate any necessary purchases and sales of underlying portfolio securities as closely as possible to the relevant



Dealing Day, particularly in Asian markets. Details of these changes, which take immediate effect, are more fully outlined in the **Appendix** to this Letter.

Investors are also reminded that the Directors have the discretion to value each Fund on a bid basis (rather than on a last traded or mid price basis) in the event of large or recurring redemptions, and that the Directors will continue to use this discretion in the interests of ensuring fairness and equity of treatment amongst all investors. Similarly, the Directors may value each Fund on an offer basis in the event of large or recurring subscriptions.

Future Management of the Funds

The Directors believe that it is in the interests of Shareholders in the Funds who wish to continue their investment in the respective markets to be in a position to offer an appropriate alternative to an eventual closure of the Funds on the date of termination of Nevsky Capital's appointment as investment manager. In this regard the Directors have identified a potential candidate to replace Nevsky Capital as investment manager of the Funds. In the event that the Directors are satisfied as to the quality, expertise and resources of the prospective candidate for appointment, we will write to Shareholders in the Funds outlining details of the new investment manager and the proposed transition arrangements.

If you have any questions relating to this letter, please contact Client Services at Nevsky Capital LLP on +44 (0) 20 7360 3550.

Yours faithfully,

David Hammond

D. Hammond
Chairman
For and on behalf of
Traditional Funds plc



APPENDIX

NOTICE OF CHANGE IN DEALING DEADLINE

Currently, in order for any duly completed subscription application or redemption request to be valid for a Dealing Day, it must be received no later than 1.00 p.m. (Dublin time) on such Dealing Day or such other day and/or time as the Directors shall from time to time determine generally or in respect of specific applications. Any subscription application or redemption request so received after such time will be carried forward to the next following Dealing Day for which such application or redemption is treated as valid in accordance with the foregoing requirements.

The Valuation Point in respect of each subscription and redemption Dealing Day is currently 3.30 p.m. (Dublin time) on the relevant subscription/redemption Dealing Day.¹

With immediate effect, in order for any duly completed subscription application or redemption request to be valid for any Dealing Day commencing on and from 9 November, 2010 (each a "Relevant Dealing Day"), it must be received no later than 4.00 p.m. (Dublin time) on the Dealing Day preceding such Relevant Dealing Day or such other day and/or time as the Directors shall from time to time determine generally or in respect of specific applications. Any subscription application or redemption request so received after such time will be carried forward to the next following Dealing Day for which such application or redemption is treated as valid in accordance with the foregoing requirements.

¹ The Valuation Point shall be moved in each year to 4 p.m. (London Time) for any Dealing Day where the difference between the ruling standard time for the New York State of the United States and the ruling standard time for the United Kingdom is more than five (5) hours. This will include any period that the New York State of the United States applies daylight savings time after the United Kingdom applies daylight savings time or any period that the New York State of the United States ends daylight savings time before the United Kingdom ends daylight savings time.

