

Midas Global Fund Absolute Return Strategy

An absolute return fund which aims to deliver a positive absolute return irrespective of how the market is performing.

minimum of **30%**

of the fund **is held in cash**
to **reduce volatility** and
provide **investors liquidity**
in all market conditions

BLOXHAM

Risk Warning

The fund's investments principally provide exposure to the share price movements of a range of global companies. This means that the value of your investment can go down as well as up.

The manager cannot guarantee that it will achieve the objectives set out for the fund.

When you come to sell your investment, you may not get back as much as you invested.

Changes in the rates of exchange between currencies may cause the value of investments to fall or rise.

You should remember that past performance is not a guide to future performance.

Investment in this fund will not be suitable for all investors. Any investment should be considered against your investment needs and attitude to risk.

The levels and bases of, and reliefs from taxation may change. You should obtain professional advice on taxation where appropriate before proceeding with any investment.

The manager employs a risk management process to oversee and manage exposures within the fund. The use of synthetic shorting techniques in this fund has the overall intention of reducing the volatility of returns, although this outcome is not guaranteed.

The descriptions above are intended to provide a summary only of the main risks associated with investment in this fund. More detailed information can be found in the prospectus and supplement, which are available on request from the manager and this booklet is for information only. Investments should be made on the basis of the Prospectus.

This document may include forward-looking statements that are based upon our current opinions, expectations and projections. We undertake no obligation to update or revise any forward looking statements. Actual results could differ materially from those anticipated in the forward-looking statements.

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Warning: The brochure should be read in conjunction with the Risk Warning Statement and the Fund prospectus, which you can request from Bloxham. 'Midas Global' or 'Midas Global Fund' is a subfund of Skyline Umbrella Fund PLC ('Skyline').

Introducing Midas Global Absolute Return Fund

The Midas Global Fund targets positive absolute returns with low volatility over the long term. The fund uses a combination of proprietary developed technical systems and macro analysis for market positioning and stock selection within a long/short equity strategy. A minimum of 30% of the fund is held in cash to reduce volatility and provide investors liquidity in all market conditions. The maximum net long or short equity exposure of the fund is 30%, and the funds design acts as a protection against significant market gyration or sustained sell offs in the equity market by:

- i. holding strong cash levels;
- ii. actively trading oscillations in stocks; and
- iii. positioning for prolonged positive or negative trends in the market.

Performance: The Midas Global Fund was one of top 5 performing absolute return funds in the UK/Ireland in 2011 with a positive return of 9.5%, outperforming the sector average by 12%.

Downside Protection: It provided a positive return on 7 of the 10 worst trading days in 2011, reflecting the strength of its strategy. It also provided a positive average daily return in the worst 20 days for the market in 2011.

Low Volatility: Volatility was just 8.3% over the past year, running at 35% of the overall equity market.

Diversification Benefits: It shows a correlation of just 0.31 to the FTSE world index over the past 12 months, illustrating strong diversification benefits.

“ THIS WEEK, THE BLOXHAM MIDAS GLOBAL ABSOLUTE RETURN FUND REPORTED **A 9.5% RETURN IN 2011**, THANKS TO JUDICIOUS LONG AND SHORT EQUITY POSITIONS SUGGESTED BY TECHNICAL INDICATORS AND A MINIMUM 30% HOLDING IN CASH. IT EVEN MADE A POSITIVE RETURN ON 7 OF THE WORST 10 TRADING DAYS IN THE YEAR, **REDUCING ITS VOLATILITY TO 8.3% AGAINST A MARKET AVERAGE OF BETWEEN 15% AND 20%.** ”

FINANCIAL TIMES JANUARY 7TH 2012



Absolute Return

What is meant by Absolute Return?

Traditional investment funds aim to deliver positive returns over long periods of time. To achieve this goal the manager will buy assets (take a long position) and investors will benefit from the growth in those assets. The manager's objective is to outperform his competitors and the overall market and, for this reason, these traditional investment funds are known as Relative Return Funds i.e. their performance is measured relative to the market.

The difficulty of course is that markets don't always move upwards in a predictable steady fashion and, in negative periods, relative return funds will fall resulting in financial loss for investors.

Relative return funds are exposed fully to equity market volatility.

Following changes to investment regulations brought into effect under UCITS III, fund managers now have greater investment powers. They are able to use derivatives and other investment techniques which make it possible to benefit from falling share/asset prices. This is achieved through the process of 'short selling'.

A short sale is created by borrowing and selling a stock or asset that the fund does not actually own with the intention of buying it back later at a lower price thereby making a profit in the process.

Consistency is the key objective of every Absolute Return fund

The aim is to deliver a smooth return by reducing the fund's correlation to the markets which tend to move in a volatile manner. Absolute Return Funds have a greater emphasis on capital preservation than would be found in the more traditional 'long only' relative return funds.

This objective of consistency and low market correlation is achieved by investing some of the funds assets in cash or other low volatility investments, and then taking both long and short positions in various securities such as equities.

Is Absolute Return for you?

Up to very recently Absolute Return type investments were the preserve of institutional investors and very high net worth individuals.

Today they are widely available to the retail investor and our view is that they add value as part of a diversified investment portfolio.

Why do Absolute Return funds make sense?

With traditional asset classes the timing of your investment is very important and success, particularly in the short term, is determined largely by the stage of the investment cycle in which the investment is made.

This is not the case with Absolute Return funds which use financial instruments to enable them to produce a positive return irrespective of market conditions. The ability to do this makes them an ideal defensive type investment that can add diversity to the traditional asset classes such as equities, property and bonds.

These funds should provide stable returns and, as part (but not all) of a well diversified portfolio, can be used to reduce the volatility of your investments and help you achieve your optimum return i.e. maximise your return within acceptable levels of risk.

Summary

- Every investor has to establish their investment objectives. Not everyone wants to achieve the maximum return possible because for most investors to do that requires taking an unacceptable level of risk.
- To achieve high returns one has to be aggressive and take on risk. The price that has to be paid for high returns is increased volatility and a greater potential for capital loss.
- Absolute Return funds offer an alternative to traditional equity products. These funds have the potential to produce positive returns in all market conditions.
- **They should be used to form part of a wider investment portfolio in order to reduce volatility and increase diversity. The fund shows a correlation of just 0.31 to the FTSE world index in 2011, illustrating strong diversification benefits.**

Midas Global Fund

Reasons to invest in Midas Global Fund

The objective of Midas Global Fund is to produce positive ‘absolute’ returns on an annual basis.

- We are seeking to achieve this regardless of market conditions.
- When equity markets fall substantially in value, we believe our strategy will enable us to preserve capital and in fact to generate a positive return.

Midas Global places a greater emphasis on capital preservation than would be typically found in a traditional equity or managed type fund. We aim to produce consistent rather than spectacular returns, but it is important to understand that in times of strong market growth the fund will lag the overall equity market. **Historically the fund has outperformed in highly volatile markets as the systems enable us to take advantage of difficult market conditions and extreme moves.**

How the fund works

Midas Global Fund uses information from a unique proprietary system (MIDAS) that has been in development since 2003.

MIDAS combines a number of in-house technical indicators based on widely used industry analytical tools. It analyses almost 2000 stocks and sectors every night and produces a daily report.

The result allows us to identify a range of long and short trading opportunities in the most liquid stocks and indices in the world.

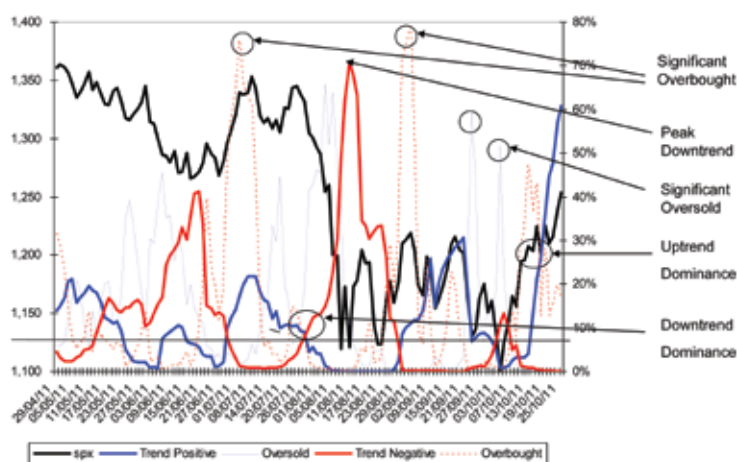
At any particular time individual equities and markets tend to fall into one of three states and these are defined below.

- Oscillation:** When a stock price, sector, or market oscillates within an identifiable trading range.
- Trend:** When a stock price, sector or market ‘trends’ either up or down until the price reaches a new trading range, at which time the stock begins to oscillate again.
- Confusion:** A highly volatile and confused state in the market, which would trigger an increase in cash weighting.

Market Call – Period from August to October 2011

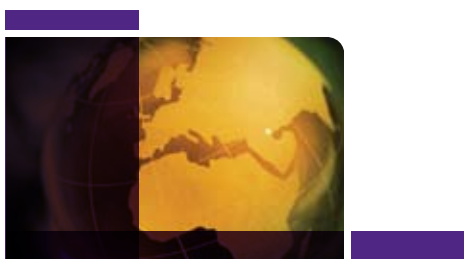
The chart below of the S&P 500, over-layed with system data, shows the effectiveness of MIDAS in producing calls on the overall market direction. This screen shot is from our overall S&P view, formed by combining all system calls on the underlying 500 stocks.

Midas - US Trends v SPX 500



The S&P 500 broke into downtrend in early August 2011 on our MIDAS system. After a significant sell off, the downtrend hit an historical peak on the Midas System, indicating an extremity which would provide a strong potential gain from a long position. This was followed by a number of oscillating calls from late August to early October 2011, both overbought and oversold, that provided the fund with a number of high conviction trading opportunities that were profitable. Finally, an exceptionally strong uptrend emerged, leading the market higher for the following three weeks in October, contributing to a very profitable long stance in the fund.

MIDAS provides us with that information and crucially it can detect when a stock/market is moving out of its ‘oscillating’ range into an upward or downward ‘trend’. MIDAS allows us to detect this trend emergence long before other established techniques which gives us a vital edge in executing more accurate and profitable trades. The system provides constant feedback in back testing each stock and sector every night for accuracy and improvements in call conviction.



Portfolio Characteristics

Midas Global will typically hold a combination of cash and between 25 and 40 active long and short positions spread across five major super sectors. The Midas Global Fund distinguishes itself from other funds by keeping a **minimum** cash balance of circa 30% to reduce volatility.

Under UCITS III rules, no more than 10% of the fund can be held with one bank. Cash balances within Midas Global will be spread across a large number of deposit institutions.

The fund focuses its resources on a number of core high conviction trading ideas. The stock universe is divided into five super sectors which are as follows:

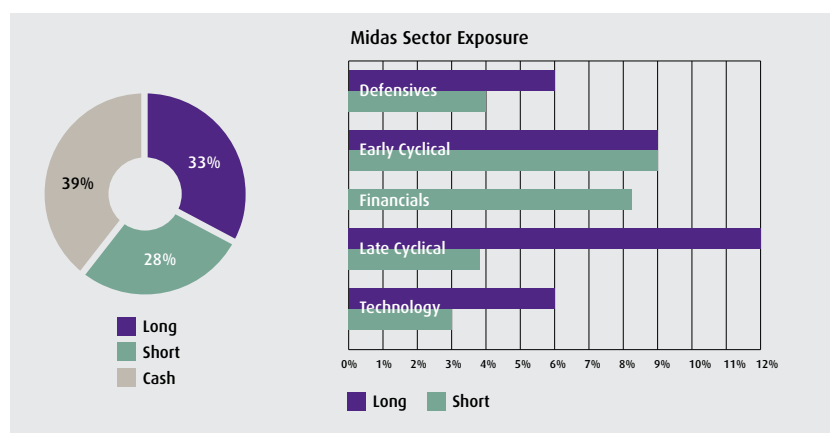
- Defensives
- Cyclical
- Financials
- Late Cyclical
- Technology

Net sector exposure is limited to 16% with individual security exposure limited to 5% i.e. **no more than 5%** in any one stock position. These restrictions are for portfolio diversification purposes and to manage risk.

The fund holds a combination of both long and short positions and the weighting of each is determined by our proprietary trading systems and implemented by the fund management team.

The total net long or short fund exposure is limited to 30% as compared to traditional funds which are often 100% exposed to the market or even greater if leveraged.

Example Portfolio



“ THE TOTAL NET LONG OR SHORT FUND EXPOSURE IS LIMITED TO 30% AS COMPARED TO TRADITIONAL FUNDS WHICH ARE OFTEN 100% EXPOSED TO THE MARKET OR EVEN GREATER IF LEVERAGED. ”

Management Style

Active Management – Existing positions are re-evaluated daily and constantly monitored. The fund managers meet daily to discuss portfolio and sector positioning and to evaluate new trading opportunities. Trades are then executed after careful analysis.

Stop Losses – Every position has a stop loss which limits the potential loss of individual trades. The stop losses are monitored daily and adjusted as trades move.

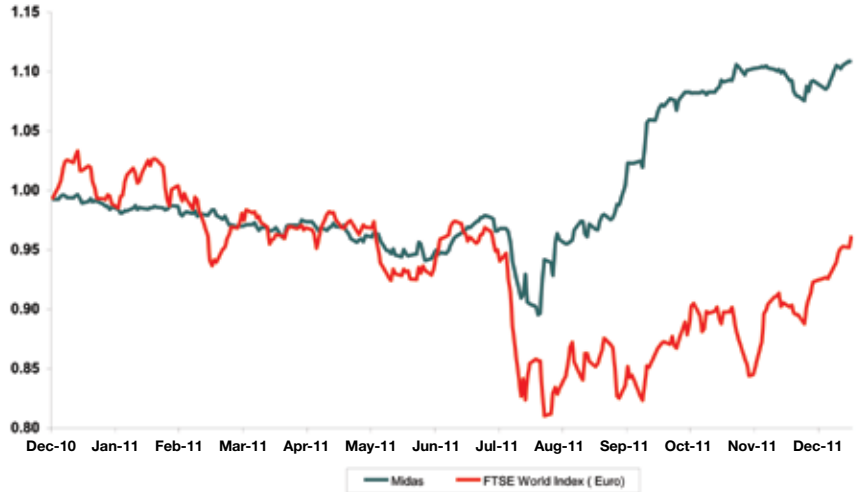
Reward to Risk – Before each trade is executed, the potential reward to risk is evaluated. A trade is only executed if the reward to risk is consistently in the funds favour over historical analysis.

Midas Global Fund Performance 2011

A) Returns

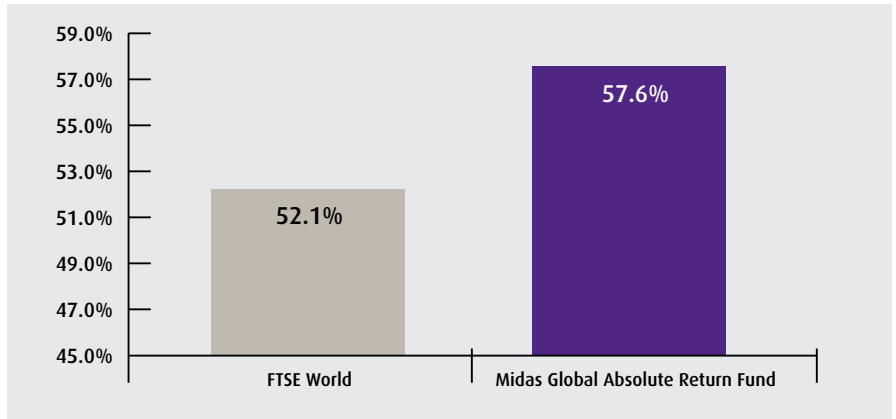
The Midas Global Fund seeks to deliver strong returns above cash with considerably less volatility than the equity markets. This delivers a Sharpe Ratio (risk adjusted return) considerably higher than other equity funds. The chart to the right compares the performance of Midas Global versus the FTSE World Index (Euro) in 2011.

Midas Global Absolute Return Fund V FTSE World Index (Euro) 2011



The chart to the right shows the percentage of profitable days in the fund ran at 57.6% compared to just 52% in the overall market, reflecting the overall strength of the fund performance.

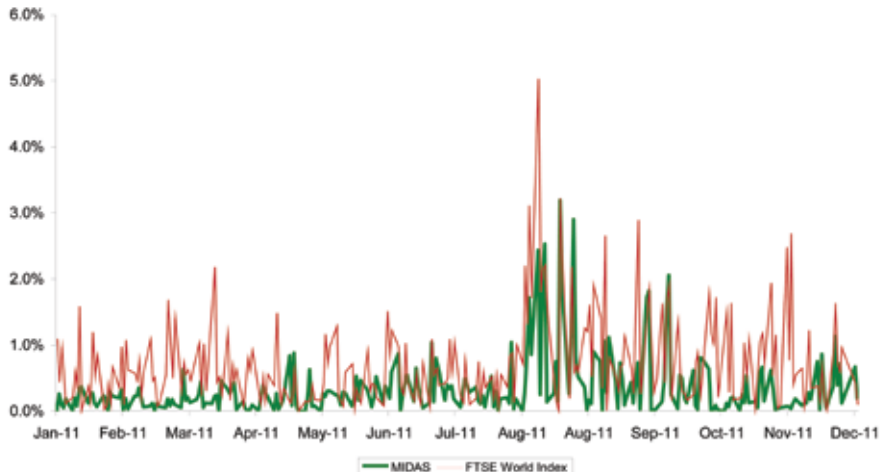
Midas Global Absolute Return Fund V FTSE World Index (Euro)
% Days in Profit in 2011



B) Volatility

The chart to the right illustrates that the volatility of the fund is considerably less than the FTSE World Index throughout 2011, running at c.35% of the overall market.

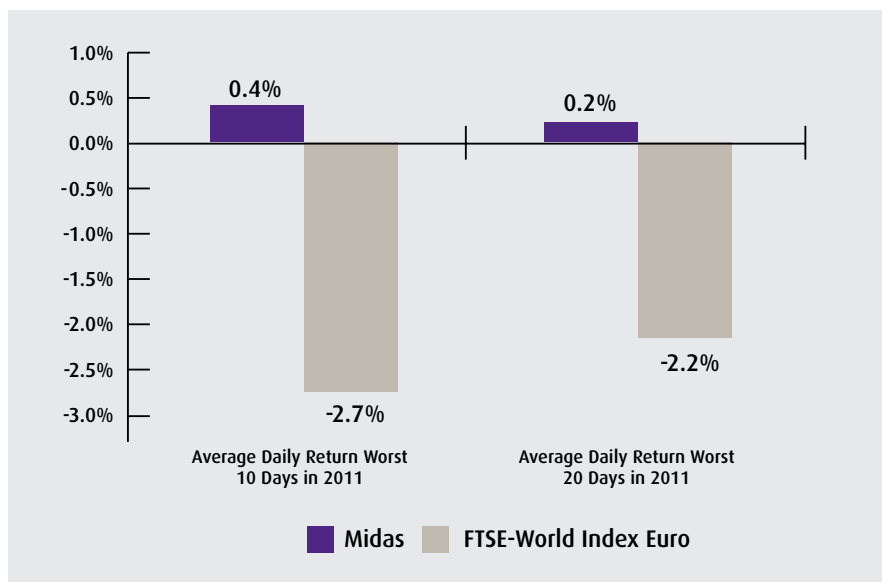
Midas Global Absolute Return Fund V FTSE World Index (Euro) 2011 (Daily Volatility)



C) Performance Breakdown/ Downside Protection

The chart to the right illustrates the performance of Midas Global in the worst days in the equity markets in 2011. Compared to an average daily loss of 2.2% for the overall market on the 20 worst trading days in the year, Midas Global produced a positive 20 bps return on average on those days. This illustrates the downside strength of Midas Global over the year.

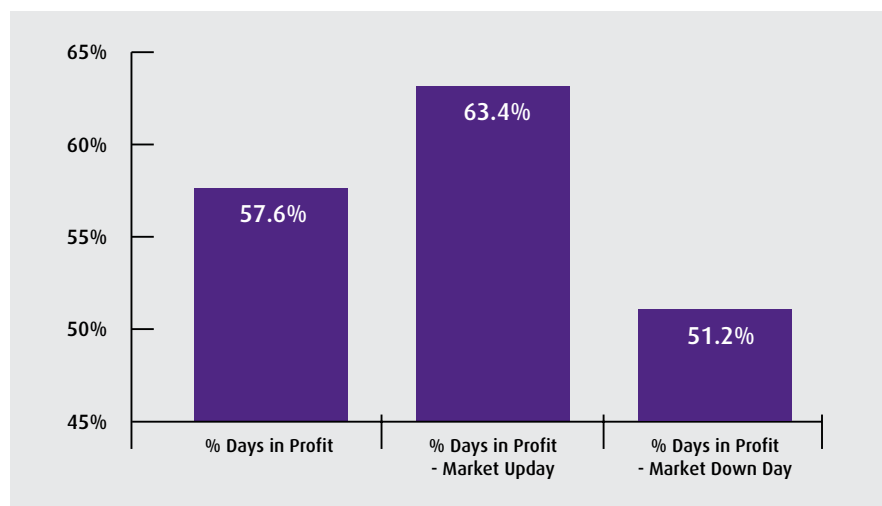
Midas Global Absolute Return Fund
Average Daily Return On Biggest Market Down Days in 2011



D) Percentage days in profit

Midas Global produced a positive return on 63% of the days in 2011 when the equity market moved higher, and produced a positive return on 51% of the down-days in the market. This illustrates not only the strong downside performance but also the ability to extract performance in positive markets.

Midas Global Absolute Return Fund
Average Daily Return On Biggest Market Down Days in 2011



Warning: Past performance is not a reliable guide to future performance. The value of your investment may go down as well as up.

Midas Global Fund Structure

UCITS is synonymous with transparency, risk management and accountability towards investors.

Fund structure

Midas Global is a subfund of Skyline which is a UCITS III umbrella fund. It is a gross roll up fund which means that tax is only levied on distributions or on exiting the fund.

UCITS III funds are required to comply with strict eligible asset and diversification requirements, caps on leverage and borrowing and risk management requirements, and therefore offer more safeguards than conventional funds.

The UCITS III rules offer a framework for well-regulated funds that are diversified, liquid, well-structured and have regulated service providers. The disclosure requirements in the Prospectus, Simplified Prospectus and Financial Statements offer investors transparency and clarity.

UCITS III represents a regulatory revolution. Assets managed under the UCITS structure have increased significantly amid moves by fund managers to reach investors seeking funds compliant with European Union rules.

Northern Trust

Northern Trust act as custodian and administrator to the Midas Global Absolute Return Fund.

They are a leading global financial institution, founded more than 120 years ago. They have over 13,000 people employed worldwide.

As of June 30 2011, Northern Trust have US\$97 billion in banking assets, US\$4.4 trillion in assets under custody and US\$684 billion in assets under management.

All of Northern Trust's short-term credit ratings are the highest available. The long-term ratings compare favourably to competitor banks and the banking industry.

Standard & Poor's rates approximately 100 U.S. bank holding companies. Northern Trust Corporation is one of only six U.S. bank holding companies with a long-term unsecured debt rating of 'AA-', currently the highest rating given to a bank in the U.S., from Standard & Poor's.

Northern Trust, a financial holding company based in Chicago, has a network of offices in 18 U.S. states and has international offices in 16 locations in North America, Europe, the Middle East and the Asia-Pacific region.

Fund Facts

Launch Date:	Midas Global was launched on the 1st October 2010 with a price per share of €1
Who can invest:	Midas Global is open to individuals over the age of 18, institutional/corporate investors, charities and pension schemes.
Administrator:	Northern Trust
Custodian:	Northern Trust
Counterparty:	Bank of America Merrill Lynch



Midas Global Fund Managers



Kevin McConnell CFA,
Lead Fund Manager

Kevin is a Chartered Financial Analyst and is Director of Investment Strategy. He has been with Bloxham for over 10 years, covering overall investment strategy and heading research operations. Kevin has been responsible for the development of several in-house systems that aid investment decision making on both

in-house and external funds. He was recently voted Best Equity Strategist and headed the team that won Best Technical Research in the annual Institutional Stockbroking Survey conducted by Finance magazine. His work has been widely covered in the domestic and international media.

Kevin also lectures in the areas of Investments, Wealth Management and Derivatives for the MSc in Finance in Trinity College, Dublin and the Irish Institute of Bankers' School of Professional Finance in Dublin.

Over the past eight years Kevin has led the development of the proprietary technology used to run the Midas Global Fund. He heads the Absolute Fund Management operation at Bloxham and is lead fund manager with Midas Global.



Conor McDermott CFA CMT,
Fund Manager

Conor specialises in stock selection, short-term trading strategies and execution. He is one of approximately just 200 individuals globally to hold both the Chartered Financial Analyst and Chartered Market Technician designations and is also a member of the Society of Technical Analysts.

Prior to joining Bloxham, Conor worked for Pioneer Alternative Investments, the Hedge Fund arm of Italian global giant Pioneer Investments. Conor joined the research department of Bloxham in 2007. Between June 2009 and September 2010 he was responsible for managing the "live test" of the Midas Global Fund, pre launch. Conor is responsible for stock selection and execution of trading within the Midas Global fund.



Des Flood, Fund Manager

Des has a Masters degree in Economics and is a member of the CFA Institute and Securities Institute. He has over 20 year's industry experience.

Des joined Bloxham in June 2007 having previously worked for three years as a senior fund manager at Bank of Ireland Asset Management (BIAM) in Dublin. At BIAM he

worked both on European regional and global portfolios. Prior to that Des spent nine years working at Hibernian Investment Managers as Head of Equities and also as Eurozone Asset Manager. Des previously worked in the UK between 1987 and 1995 at National Mutual of Australia as a UK asset manager and analyst and at Paribas Capital Markets as a Capital Goods analyst.

Des brings his experience in portfolio construction and risk management to the Midas Global Fund.

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