

**SALAR FUND PLC**  
**SIMPLIFIED PROSPECTUS**

**DATE 20 July 2009**

This Simplified Prospectus contains key information in relation to Salar Fund plc (the “Fund”) which is an investment company with variable capital and having limited liability incorporated in Ireland on 27 November 2007 and authorised by the Irish Financial Services Regulatory Authority under the European Communities (UCITS) Regulations 2003, as amended. The Fund is:-

- Salar Fund plc

**Potential investors are advised to read the full prospectus dated 20 July 2009 together with all relevant supplements thereto (the “Full Prospectus”) before making an investment decision. The rights and duties of the investor as well as the investor’s legal relationship with the Fund are set out in the Full Prospectus.**

<b>Investment Objective:</b>	<p><b>Salar Fund plc</b></p> <p>The Fund’s investment objective is to generate capital growth, whilst seeking to preserve capital, through a variety of risk/reward strategies generally in the convertible bond markets. The Fund targets absolute returns and aims to achieve returns, which exceed the Benchmark Return.</p>
<b>Investment Policy:</b>	<p><b>Salar Fund plc</b></p> <p>The Investment Manager will seek to achieve the investment objective of the Fund by investing primarily in, listed and unlisted convertible bonds, listed and unlisted convertible preference shares, listed and unlisted equities (in any market including emerging markets), debt securities (which may be below investment grade and be either fixed or floating and government or corporate) and currencies. Debt securities will be deemed to be below investment grade, if they have a rating BB+ and/or lower by Standard &amp; Poor’s, or an equivalent rating by any of the other principal rating agencies or by Moody’s, or are unrated.</p> <p>While it is not the current intention of the Investment Manager to have significant emerging market or below investment-grade debt exposure, there are no limits to the extent that such investments might be made, if deemed appropriate by the Investment Manager. The Fund may also invest no more than 20 per cent. of its Net Asset Value in other collective investment schemes having similar investment objectives and policies to the Fund and exchange traded funds. The Fund may, but is not obliged to, use derivative instruments for investment or efficient portfolio management purposes based on these securities including, without limitation, equity index and bond options (listed and OTC) including asset swapped convertible option transactions (“ASCOTs”), currency forward exchange contracts and non deliverable forward contracts, bond futures, OTC credit default swaps and total return swaps, warrants, contracts for difference and interest rate futures. Derivative</p>

	<p>instruments may be exchange-traded or over-the-counter. The Fund may also retain amounts in cash or cash equivalents (which shall include, but shall not be limited to, short-term fixed income securities including commercial paper (i.e. investment grade short-term paper issued by credit institutions) and money market obligations such as short and medium-term treasury bills and treasury notes (both fixed and floating rate), certificates of deposit and bankers' acceptances) pending re-investment, or for use as collateral, arising from the Fund's use of FDIs if this is considered appropriate to the investment objective.</p> <p>The Investment Manager generally takes long positions that the Investment Manager has identified as undervalued in a portfolio of convertible bonds, convertible preferred shares and convertible bond options. A convertible bond is a bond that gives the holder the right to "convert" or exchange the par amount of the bond for common shares of the issuer at some fixed ratio during a particular period. The Investment Manager may sell short positions in securities that the Investment Manager has identified as overvalued provided that the aggregate value of all such short sales does not exceed 20 per cent of Net Asset Value. However, there is no restriction on such short positions taken for hedging purposes. Such hedging may include, but is not limited to, the use of short equity swaps to hedge out the delta exposure on long convertible bond positions.</p>
<b>Risk Profile:</b>	<p><b>Potential investors should consider the following risk factors before investing in the Fund. A more detailed description of the risk factors that apply to the Fund is set out in the Full Prospectus.</b></p> <ol style="list-style-type: none"> <li>1. The Directors will seek to manage the volatility of the Net Asset Value of the Fund. However, prospective investors should be aware that investments are subject to normal market fluctuations and other risks inherent in investing in securities.</li> <li>2. Depending on an investor's currency of reference, currency fluctuations between that currency and the base currency of a Fund may adversely affect the value of an investment in the Fund.</li> <li>3. Changes in exchange rates may have an adverse effect on the value, price or income of the product</li> </ol>
<b>Performance Data:</b>	The Fund is newly established and as such no performance data is currently available.
<b>Profile of a Typical Investor:</b>	The typical investor in the Fund will be a professional client as defined under the Markets in Financial Instruments Directive ("MiFID") client categorisation, who possesses the experience, knowledge and expertise to make its own investment decisions and properly assess the risks that investing in Shares of such Fund incurs. Investors should seek professional advice before making investment decisions.

<b>Distribution Policy:</b>	<p>Shares are available either as Distribution Shares or Accumulation Shares. Distribution Shares will pay dividends while Accumulation Shares will not pay dividends.</p> <p>It is intended that the investment and distribution policies of the Fund in respect of the Distribution Shares, including the Shares designated as Class C Shares, together with any other Shares specified as Distribution Shares (“Qualifying Shares”), will enable the holders of Shares in such Class to qualify as material interests in a “distributing fund” and it is intended to apply to the United Kingdom’s HM Revenue &amp; Customs for certification thereof in respect of each account period of the relevant Class. Such certification is granted retrospectively and there can be no guarantee that certification will be obtained for any or all account periods of the relevant Class. The Directors intend to declare dividends in respect of the Qualifying Shares in respect of substantially all of the net income arising from the assets attributable to such Shares Dividends are normally expected to be distributed at the end of June and December of each year, where profits are available, or at such other times determined by the Directors, in accordance with the provisions of the Prospectus and Memorandum and Articles of Association.</p> <p>The income and gains of the Accumulation Shares will be accumulated in the price of the Shares of that Class. To the extent that a dividend is declared in respect of a Distribution Share (which has not been specified as a Distribution – income Share), it will be automatically reinvested in such further Distribution Shares of the same Class as at a price per Share equal to the most recently available Subscription Price for such Shares.</p> <p>The Articles empower the Directors to declare dividends in respect of any Share in the Fund out of the net income of the Fund being the income of the Fund from dividends, interest or otherwise and net realised and unrealised gains (i.e. realised and unrealised capital gains net of all realised and unrealised losses) less accrued expenses of the Fund, subject to certain adjustments. To the extent that a dividend may be declared, it will be paid in compliance with any applicable laws.</p> <p>With respect to the Distribution Shares, the Fund operates a policy known as “income equalisation”. Income equalisation is accrued income included in the price of Distribution Shares purchased and redeemed during the accounting year. The subscription price of the Distribution Shares is deemed to include an equalisation payment calculated by reference to the accrued income of the Fund and the first distribution in respect of any Distribution Share will include a payment of capital usually equal to the amount of such equalisation payment. The redemption price of each Distribution Share will also include an equalisation payment in respect of the accrued income of the Fund up to the date of redemption. Income Equalisation is accounted for as a finance cost in the Profit and Loss Account.</p> <p>Allocation of income to holders of any Shares which are specified as Accumulation Shares will be transferred to the capital assets of the Fund</p>
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	<p>upon declaration and be reflected in the value of Shares on the first Business Day following the end of that period.</p> <p>To the extent that any dividend is declared, it will be paid in compliance with applicable laws. Any distribution of income for Shares that is unclaimed for a period of six years after having become due for payment, shall be forfeited and shall revert to the Fund.</p>																																																
<b>Fees and Expenses:</b>	<p><b>Shareholders Expenses</b></p> <p><i>Preliminary Fee</i> Up to 5%</p> <p><b>Annual Operating Expenses</b></p> <p><i>Investment Management Fee:</i></p> <table> <thead> <tr> <th><i>Share Class:</i></th><th><i>Amount per Annum:</i></th></tr> </thead> <tbody> <tr><td>Class A1 Euro Shares (Accumulation)</td><td>1%</td></tr> <tr><td>Class A1 US\$ Shares (Accumulation)</td><td>1%</td></tr> <tr><td>Class A1 Sterling Shares (Accumulation)</td><td>1%</td></tr> <tr><td>Class A2 Euro Shares (Accumulation)</td><td>1.5%</td></tr> <tr><td>Class A2 US\$ Shares (Accumulation)</td><td>1.5%</td></tr> <tr><td>Class A2 Sterling Shares (Accumulation)</td><td>1.5%</td></tr> <tr><td>Class A1 US\$ Non-Voting Shares (Accumulation)</td><td>1%</td></tr> <tr><td>Class B Euro Shares (Accumulation)</td><td>0%</td></tr> <tr><td>Class B US\$ Shares (Accumulation)</td><td>0%</td></tr> <tr><td>Class B Sterling Shares (Accumulation)</td><td>0%</td></tr> <tr><td>Class C1 Sterling Shares (Distribution)</td><td>1%</td></tr> <tr><td>Class C1 Euro Shares (Distribution)</td><td>1%</td></tr> <tr><td>Class C1 US\$ Shares (Distribution)</td><td>1%</td></tr> <tr><td>Class C1 Sterling Shares (Distribution - income)</td><td>1%</td></tr> <tr><td>Class C1 Euro Shares (Distribution - income)</td><td>1%</td></tr> <tr><td>Class C1 US\$ Shares (Distribution - income)</td><td>1%</td></tr> <tr><td>Class C2 Sterling Shares (Distribution)</td><td>1.5%</td></tr> <tr><td>Class C2 Euro Shares (Distribution)</td><td>1.5%</td></tr> <tr><td>Class C2 US\$ Shares (Distribution)</td><td>1.5%</td></tr> <tr><td>Class C2 Sterling Shares (Distribution - income)</td><td>1.5%</td></tr> <tr><td>Class C2 Euro Shares (Distribution - income)</td><td>1.5%</td></tr> <tr><td>Class C2 US\$ Shares (Distribution - income)</td><td>1.5%</td></tr> <tr><td>Class D US\$ Shares (Accumulation)</td><td>0.9%</td></tr> </tbody> </table> <p><i>Investment Management Performance Fee:</i></p> <p>The Performance Fee will normally be payable in arrears within 14 calendar days of the end of each Calculation Period in the case of Class A Shares, Class C Shares and Class D Shares which remain in issue at the end of the Calculation Period. However, in the case of the Shares of the relevant Class redeemed during a Calculation Period, the Performance Fee in respect of those Shares will be calculated as though the date of redemption were the end of a Calculation Period and will be payable within 14 calendar days after the date of redemption. In the event of a partial redemption, whether during or at the end of a Calculation Period, Class A Shares and Class C Shares will be treated as redeemed on a first in, first out (“fifo”) basis for the purpose of calculating the Performance Fee.</p>	<i>Share Class:</i>	<i>Amount per Annum:</i>	Class A1 Euro Shares (Accumulation)	1%	Class A1 US\$ Shares (Accumulation)	1%	Class A1 Sterling Shares (Accumulation)	1%	Class A2 Euro Shares (Accumulation)	1.5%	Class A2 US\$ Shares (Accumulation)	1.5%	Class A2 Sterling Shares (Accumulation)	1.5%	Class A1 US\$ Non-Voting Shares (Accumulation)	1%	Class B Euro Shares (Accumulation)	0%	Class B US\$ Shares (Accumulation)	0%	Class B Sterling Shares (Accumulation)	0%	Class C1 Sterling Shares (Distribution)	1%	Class C1 Euro Shares (Distribution)	1%	Class C1 US\$ Shares (Distribution)	1%	Class C1 Sterling Shares (Distribution - income)	1%	Class C1 Euro Shares (Distribution - income)	1%	Class C1 US\$ Shares (Distribution - income)	1%	Class C2 Sterling Shares (Distribution)	1.5%	Class C2 Euro Shares (Distribution)	1.5%	Class C2 US\$ Shares (Distribution)	1.5%	Class C2 Sterling Shares (Distribution - income)	1.5%	Class C2 Euro Shares (Distribution - income)	1.5%	Class C2 US\$ Shares (Distribution - income)	1.5%	Class D US\$ Shares (Accumulation)	0.9%
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	<p>The Performance Fee will be calculated on a Share-by-Share basis so that each Class A Share, Class C Share and Class D Share is charged a Performance Fee which equates precisely with that Share's performance. This method of calculation is intended to ensure so far as possible that (i) any Performance Fee paid to the Investment Manager is charged only to those Shares which have appreciated in value during the relevant Calculation Period, (ii) all holders of relevant Shares of the same Class have the same amount per Share at risk in the Fund and (iii) all relevant Shares of the same Class have the same Net Asset Value per Share. Investors should note that any depreciation in the Net Asset Value per Share of the Class A Shares and Class C Shares over a Calculation Period will not cause a reduction in, or otherwise affect, the calculation of the Performance Fee in respect of the relevant Class in any subsequent Calculation Period.</p> <p>No Performance Fee will be payable in respect of the Class B Shares or the Management Shares.</p> <p><i>Administration and Custody fees:</i></p> <p>The Fund shall pay to the Administrator out of the assets of the Fund an annual fee, accrued at each Valuation Point and payable monthly in arrears at a rate which shall not exceed 0.14 per cent per annum of the Net Asset Value of the Fund subject to a minimum annual fee of €6,000 (plus VAT, if any thereon). The Administrator shall also be entitled to be repaid out of the assets of the Fund all of its reasonable out-of-pocket expenses incurred on behalf of the Fund which shall include legal fees, couriers' fees and telecommunication costs and expenses together with VAT, if any, thereon.</p> <p>The Custodian shall be entitled to receive out of the assets of the Fund an annual fee, accrued at each Valuation Point and payable monthly in arrears, which shall not exceed 0.05 per cent per annum of the Net Asset Value of the Fund subject to a minimum annual fee of €40,000 (plus VAT, if any) thereon. The Custodian shall also be entitled to be repaid all of its disbursements out of the assets of the Fund, including legal fees, couriers' fees and telecommunication costs and expenses and the fees, transaction charges and expenses of any sub-custodian appointed by it which shall be at normal commercial rates together with VAT, if any, thereon.</p>
	<p><b>Portfolio Turnover Rate ("PTR") for the fiscal year from 27 November 2007 to 31 December 2008</b></p> <p>PTR - 20.82%</p>

	<p><b>Total Expense Ratio (“TER”) for the fiscal year 27 November 2007 to 31 December 2008</b></p> <p>TER 1.03%</p> <p><i>The TER is equal to the ratio of a Fund’s total operating costs to its average net asset value.</i></p> <p><i>Total operating costs are all the expenses deducted from the -Fund’s assets and are usually shown in a UCITS statement of operations for the relevant fiscal period. The gross value of expenses has been used, i.e. on an "all taxes included" basis. Tax relief is not included.</i></p> <p><i>The average net asset value is calculated using the net asset value as at each valuation point.</i></p> <p>The Funds are newly established and as such no previous portfolio turnover rate data is available for comparison.</p>
<b>Taxation:</b>	<p>The Fund is resident in Ireland for tax purposes and is not subject to Irish taxation charges on income or capital gains. Generally, no Irish stamp duty is payable on the issue, redemption or transfer of Shares in the Fund.</p> <p><b>Shareholders and potential investors should consult with their professional advisers in relation to the tax treatment of their holdings in the Fund.</b></p>
<b>Publication of Share Price:</b>	<p>The Net Asset Value per Share will be published daily on the Investment Manager’s website (www.feroxcapital.com) and on Bloomberg and updated following each calculation of Net Asset Value. In addition, the Net Asset Value per Share may be obtained from the Administrator or the Investment Manager, or the Paying Agent during normal business hours.</p>
<b>How to Buy/Sell Units/Shares:</b>	<p>You can buy, sell and switch Shares directly from the Fund at:</p> <p>Citco Fund Services (Ireland) Limited Custom House Plaza Block 6 International Financial Services Centre Dublin 1 Ireland</p> <p>There are different minimum subscription, redemption and holding amounts for each Class of Share of the Fund which are set out in the Full Prospectus.</p>

<b>Additional Important Information:</b>	<b>Directors of the Fund:</b>	Jack Inglis Declan Quilligan John Donohoe Justin Egan Kate Lindsay-Bayley
	<b>Custodian:</b>	UBS Luxembourg S.A. (Dublin Branch)
	<b>Administrator, Registrar, Transfer Agent &amp; Secretary:</b>	Citco Fund Services (Ireland) Limited
	<b>Investment Manager And Distributor:</b>	Ferox Capital Management Limited
	<b>Auditors</b>	Ernst & Young LLP
	<b>Legal Advisers to the Fund:</b>	William Fry (Ireland)
	Additional information and copies of the Full Prospectus, the latest annual and half yearly reports may be obtained by the Shareholders (free of charge) from: Citco Fund Services (Ireland) Limited	