

CHEYNE SELECT UCITS FUND PLC

SIMPLIFIED PROSPECTUS

27 March 2012

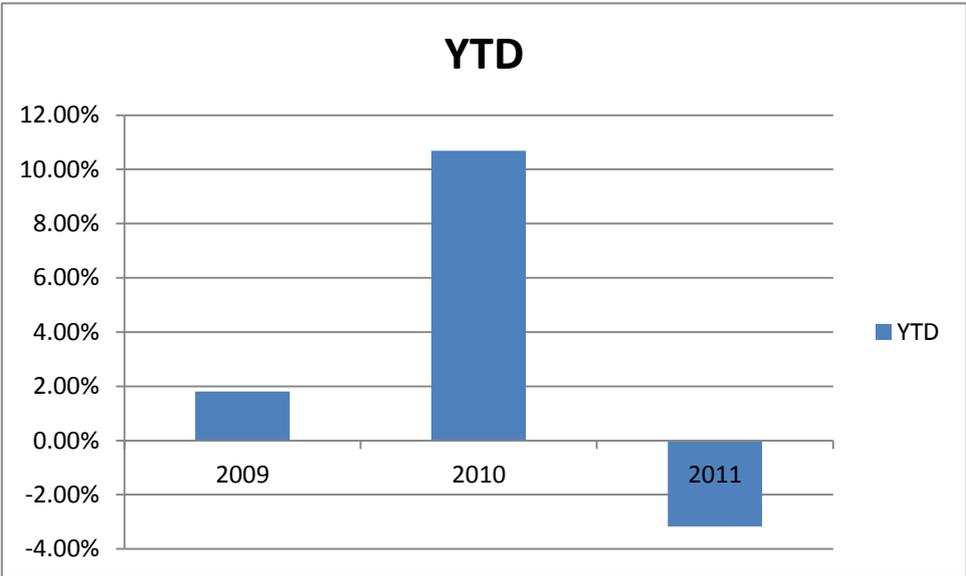
This Simplified Prospectus contains key information in relation to Cheyne Select UCITS Fund plc, which is a segregated liability, open-ended umbrella investment company with variable capital incorporated in Ireland on 23 June 2009 and authorised on 3 September 2009 by the Central Bank of Ireland, under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (the "Company"). The Company has three sub-funds, the Cheyne Convertibles Absolute Return Fund (the "Fund"), the Cheyne Global Credit Fund and the Cheyne European Real Estate Bond Fund.

Potential investors are advised to read the full prospectus dated 27 March 2012 (the "Prospectus") before making an investment decision. The rights and duties of the investor as well as the legal relationship with the Company are laid down in the Prospectus.

The base currency of the Fund is Euro.

Investment Objective:	The Fund's investment objective is to provide total return through a combination of yield and capital appreciation.
Investment Policy:	<p>The Fund will seek to generate returns despite market movements, so-called Policy: absolute returns. Absolute returns can be achieved through a combination of: owning Convertible Securities, hedging against certain price movements of the equity component of the securities using financial derivative instruments and hedging against certain default risks of the debt component of the securities using credit default swaps.</p> <p>The Fund will invest primarily in global Convertible Securities. The Fund may also invest in global non-convertible securities including fixed income securities, such as fixed and floating rate corporate and government bonds, equities, and certain derivative products (as more particularly described in the Prospectus under "Further Detail on the Use of Financial Derivative Instruments"). The Fund may also invest up to 10% of its Net Asset Value in Money Market Funds and Exchange Traded Funds. Convertible Securities have unique investment characteristics in that they generally: (i) have higher yields than common stocks, but lower yields than comparable non-convertible securities; (ii) are less subject to fluctuation in value than the underlying common stock due to their fixed-income characteristics; and (iii) provide the potential for capital appreciation if the market price of the underlying common stock increases. The Fund may be leveraged up to 50% of its Net Asset Value as a result of its use of financial derivative instruments.</p> <p>The investment philosophy is to capitalise on the compelling combination of downside and default protection and upside potential to achieve returns despite market movements or defaults. Downside protection is offered by the fixed income characteristics of yield and capital repayment as well as hedging, and upside potential is due to the prospect of capital appreciation as the underlying stock prices rise. Under normal market conditions, the Fund will invest in a globally diversified portfolio of convertible bonds. The Fund will focus on Convertible Securities issued by corporate issuers with sound fundamentals. The Fund will seek to invest in Convertible Securities exhibiting balanced characteristics (i.e. moderate equity sensitivity, moderate yield to maturity with a low fixed income component), utilising bottom-up fundamental analysis to identify undervalued convertibles with positive asymmetry. A Convertible Security with positive asymmetry should participate in a higher percentage of the upside potential compared with a lower percentage of the downside potential associated with the underlying equity. Due to the fixed income component, Convertible Securities exhibit lower volatility than their underlying securities and</p>

	<p>consequently, the Investment Manager does not expect the Net Asset Value of the Fund to be highly volatile.</p> <p>To reduce the down-side risk of falling stock prices and achieve absolute returns, the Fund may enter into contracts for differences on certain stocks underlying the Fund's convertible securities. To reduce the down-side risk of defaults, the Fund may enter into credit default swaps on certain issuers of Convertible Securities.</p> <p>The Fund may invest in securities of any credit quality, including securities that are of below investment grade quality. Securities of below investment grade quality may be viewed as having speculative characteristics with respect to the issuer's capacity to pay interest and repay principal and may be referred to as "high yield securities".</p> <p>The Fund may invest in securities of any industry, region or market capitalisation, including securities of issuers from Emerging Markets. No more than 30% of the Net Asset Value of the Fund will be invested in Emerging Market securities.</p> <p>The Investment Manager believes that global Convertible Securities, due to their hybrid nature of combining the potential downside protection of a fixed income security with the capital appreciation potential of equities (through an embedded call option), provide attractive risk adjusted returns. By using financial derivative instruments in addition to purchasing Convertible Securities, absolute returns can be achieved.</p> <p>The investment focus of the Fund will be global. With the exception of permitted investments in unlisted instruments and off-exchange financial derivative instruments, investments will be made on Recognised Exchanges, as listed in Appendix II to the Prospectus. Some of the securities in which the Fund invests may be in bearer form, such as Convertible Securities and fixed income securities issued as bearer bonds.</p>
<p>Risk Profile:</p>	<p>The following risk factors apply to the Fund:</p> <p>An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.</p> <p>The Fund will use financial derivative instruments for investment purposes. While the prudent use of such derivatives can be beneficial, derivatives also involve risks different from, and in certain cases, greater than, the risks presented by more traditional investments.</p> <p>Convertible Securities</p> <p>As the market price of the underlying common stock declines, Convertible Securities tend to trade increasingly on a yield basis and so may not experience market value declines to the same extent as the underlying common stock. When the market price of the underlying common stock increases, the price of a Convertible Security tends to rise as a reflection of the value of the underlying common stock. To obtain such a higher yield, the Fund may be required to pay for a Convertible Security an amount in excess of the value of the underlying common stock.</p> <p>Investment Risk</p> <p>The use of certain financial derivative instruments by the Fund may cause the Fund to have a volatile Net Asset Value.</p> <p>Sub-Investment Grade Risk</p> <p>The Fund may invest more than 30% of its Net Asset Value in below investment grade securities. Below investment grade debt may be highly leveraged and carry a greater risk of default. In addition, below investment grade debt securities tend to be more volatile than higher rated fixed income securities, so that adverse economic events may have a greater impact on the prices of below investment grade debt securities than on higher rated fixed income securities. Please also</p>

	<p>see “Liquidity Risk” in the section headed “Risk Factors” in the Prospectus.</p> <p>Bearer Securities</p> <p>There are two basic types of securities: registered securities which are made out to the owner's name and bearer securities, where the holder of the security in the underlying corporation is unknown but can nevertheless enforce his rights as a shareholder or bondholder, as appropriate. No record of ownership is maintained by the issuing company. The Company may from time to time acquire bearer securities. Bearer securities can be transferred both on-exchange or over-the-counter and the owner still acquires membership and/or proprietary rights on buying the securities. Bearer securities involve specific risks of loss, theft and forgery as well as additional safekeeping considerations.</p> <p>The investment risks set out in this Simplified Prospectus do not purport to be exhaustive and potential investors should be aware that an investment in the Fund may be exposed to risks of an exceptional nature from time to time. A more detailed description of the risk factors that apply to the Fund is set out in the Prospectus.</p>										
<p>Performance Data:</p>	<div style="text-align: center;"> <p>YTD</p>  <table border="1" data-bbox="635 1402 1225 1563" style="margin: 10px auto;"> <thead> <tr> <th colspan="2">Total return per year</th> </tr> <tr> <th>Year</th> <th>YTD</th> </tr> </thead> <tbody> <tr> <td>2009</td> <td>1.80%</td> </tr> <tr> <td>2010</td> <td>10.69%</td> </tr> <tr> <td>2011</td> <td>- 3.18%</td> </tr> </tbody> </table> </div> <p>Please note that past performance is not necessarily a guide to the future performance of the Fund. The performance data is net of taxes and charges and does not include initial charges, repurchase fees of any anti-dilution levies payable. Investment returns and principal value will fluctuate so that when Shares are redeemed, they may be worth more or less than their original cost. Due to market conditions, current performance may be higher or lower than the data shown.</p>	Total return per year		Year	YTD	2009	1.80%	2010	10.69%	2011	- 3.18%
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<p>Profile of a Typical Investor:</p>	<p>The Fund is suitable for institutional investors seeking capital growth over a medium to long-term horizon who are prepared to accept a medium level of volatility from time to time.</p>										
<p>Distribution Policy:</p>	<p>It is not the current intention of the Directors to pay dividends. The income and earnings and gains of the Fund will be accumulated and reinvested on behalf of the Shareholders. Any change to this dividend policy shall be set out in an</p>										

updated Supplement and notified to Shareholders in advance.

Fees and Expenses:

As at the date of this Simplified Prospectus there are nine classes of shares in the Fund of which six are available, namely, Classes I1 (US\$), I2 (€), I3 (£), D1 (US\$), D2 (€) and D3 (£).

Class of Share	Currency	Minimum Initial Subscription	Minimum Holding
Class I1 (US\$)	US\$	US\$100,000	US\$50,000
Class I2 (€)	€	€100,000	€50,000
Class I3 (£)	£	£100,000	£50,000
Class D1 (US\$)	US\$	US\$5,000	US\$2,000
Class D2 (€)	€	€5,000	€2,000
Class D3 (£)	£	£5,000	£2,000
Class S1 (US\$) Closed	US\$	US\$5,000,000	US\$4,000,000
Class S2 (€) Closed	€	€3,500,000	€3,000,000
Class S3 (£) Closed	£	£3,000,000	£2,000,000

Shareholders Expenses

Sales Commission: Up to 5%
 Redemption Fee: Up to 3%
 Conversion Fee: Up to 5%

Annual Operating Expenses of the Fund

Administration Fee:

The Administrator shall be entitled to receive out of the assets of the Fund an annual fee, accrued daily and payable monthly in arrears, based on the Net Asset Value of the Fund, of up to a maximum of 0.12%, subject to a minimum annual administration fee of \$100,000 (plus VAT, if any thereon) and an additional fee of \$1,500 per month for weekly valuations and an additional fee of \$2,250 per month of indicative daily valuations (plus VAT, if any thereon). The minimum fee may be fully or partially waived by the Administrator for such period or periods of time as may be agreed between the Company and the Administrator from time to time.

In addition to such base remuneration, the Administrator shall also be entitled to

	<p>charge the Fund fees relating to any additional services required in relation to corporate secretarial, audit support, tax assistance or investor rebate services, as may be agreed with the Company and which shall be charged at normal commercial rates.</p> <p>Custodian Fee:</p> <p>The Custodian shall be entitled to receive out of the assets of the Fund an annual fee, accrued daily and payable monthly in arrears, based on the number of transactions and the Net Asset Value of the Fund, of up to a maximum fee of 0.02% of the Net Asset Value of the Fund (plus VAT, if any thereon), subject to a minimum annual trustee services fee of \$15,000 and a minimum annual custody services fee of \$20,000. In addition to such remuneration, the Custodian shall also be entitled to charge the Fund fees relating to any custody or transactional services, as may be agreed with the Company and which shall be charged at standard commercial rates.</p> <p>Investment Management</p> <p>Fee: 0.45% per annum of the Net Asset Value of the Fund allocable to Class S Shares and 0.90% per annum of the Net Asset Value of the Fund allocable to Class I and Class D Shares.</p> <p>Performance Fee: Out of the assets allocable to Class S Shares: 10% of the increase in the Net Asset Value of the relevant Class over the High Water Mark during a performance period, disregarding any un-crystallised Performance Fee.</p> <p>Out of the assets allocable to Class I and D Shares: 15% of the increase in the Net Asset Value of the relevant Class over the relevant Performance Hurdle and any relevant High Water Mark during a Performance Period, disregarding any un-crystallised Performance Fee.</p> <p>Portfolio Support Fees: 0.08% per annum of the first €200 million of the Net Asset Value of the Fund, 0.06% per annum of the Net Asset Value of the Fund between €200 million and €400 million; 0.04% per annum of the Net Asset Value of the Fund between €400 million and €650 million; and 0.02% per annum of the Net Asset Value of the Fund in excess of €650 million.</p> <p>Investment Adviser's Fees: 0.30% per annum of the Net Asset Value of the Fund allocable to Class S Shares, 0.60% per annum of the Net Asset Value of the Fund allocable to Class I Shares and 1.10% per annum of the Net Asset Value of the Fund allocable to Class D Shares.</p> <p>Out of pocket expenses of the Investment Manager, Investment Adviser, Custodian (to include fees and expenses of any sub-custodian) and the Administrator reasonably incurred are paid out of the assets of the Fund. Internal legal costs of the Investment Manager reasonably incurred will also be paid out of the assets of the Fund.</p> <p>Total Expense Ratio: 3.14%</p> <p>Portfolio Turnover Rate: Not Available</p>
Taxation:	<p>The Company is an Investment Undertaking as defined in Section 739B of the Taxes Consolidation Act, 1997, and therefore, will not be subject to Irish tax on its income or gains other than gains arising on chargeable events. Generally no stamp duty or other tax is payable in Ireland on the issue, redemption or transfer of Shares in the Company.</p>

	<p>The Directors intend to apply for reporting fund status for Class I3 (£) and Class D3 (£) of the Fund for Accounting Periods beginning 1 January 2011 however no assurances can be provided that reporting fund status will be obtained. Prospective investors are referred to the “United Kingdom Taxation” section in the Prospectus.</p> <p>Shareholders and potential investors should consult with their professional advisers in relation to the tax treatment of their holdings in the Fund.</p>														
Publication of Share Price:	The Net Asset Value per Share of the Fund is published in the Financial Times and is available from the office of the Administrator.														
How to Buy/Sell Units/Shares:	Dealing in the Shares of the Fund takes place on each Friday (provided that such day is a Business Day, failing which the following Business Day) and the last Business Day of every month.														
Contact Details for dealing enquiries:	<p>Instructions to buy, sell and convert Shares must be received by the Administrator prior to 4.00pm (Irish time) on a Business Day three Business Days before the relevant Dealing Day (the “Dealing Deadline”). Any applications received after the Dealing Deadline for a particular Dealing Day will be processed on the next Dealing Day.</p> <p>Instructions can be sent directly to: Cheyne Select UCITS Fund plc C/o Citi Hedge Fund Services (Ireland), Limited 1 North Wall Quay Dublin 1 Tel 00 353 1 622 2000 Fax 00 353 1 672 5361 (Hours of business 9am to 5pm (Irish Time) Monday – Friday)</p>														
Additional Important Information	<table> <tr> <td>Company Secretary and Registered Office:</td> <td>Cheyne Select UCITS Fund plc C/o Citibank Europe plc 1 North Wall Quay Dublin 1</td> </tr> <tr> <td>Custodian:</td> <td>Citibank International plc, Ireland Branch</td> </tr> <tr> <td>Administrator:</td> <td>Citibank Europe plc</td> </tr> <tr> <td>Investment Adviser:</td> <td>Cheyne Capital International Limited</td> </tr> <tr> <td>Investment Manager:</td> <td>Cheyne Capital Management (UK) LLP</td> </tr> <tr> <td>Promoter:</td> <td>Cheyne Capital Management (UK) LLP</td> </tr> <tr> <td>Auditor</td> <td>KPMG</td> </tr> </table> <p>Additional information and copies of the Prospectus, the latest annual and half yearly reports may be obtained (free of charge) from:</p> <p>Cheyne Select UCITS Fund plc C/o Citibank Europe plc 1 North Wall Quay Dublin 1 Tel 00 353 1 622 2000 Fax 00 353 1 672 5361</p>	Company Secretary and Registered Office:	Cheyne Select UCITS Fund plc C/o Citibank Europe plc 1 North Wall Quay Dublin 1	Custodian:	Citibank International plc, Ireland Branch	Administrator:	Citibank Europe plc	Investment Adviser:	Cheyne Capital International Limited	Investment Manager:	Cheyne Capital Management (UK) LLP	Promoter:	Cheyne Capital Management (UK) LLP	Auditor	KPMG
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