

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to what action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other financial adviser who specialises in advising on shares and/or units or other investments and who is authorised under the Financial Services and Markets Act 2000.

PREMIER PORTFOLIO MANAGERS LIMITED

THE ELAN FUND ("the Company")

Notification of the following proposals:

- (1) the adoption of wider investment powers by the Company;**
- (2) the adoption of new charges payable out of the scheme property of the Company;**
- (3) amendment of the investment policy of the Elan Diversified Income Fund;**
- (4) the adoption of wider investment powers by the Elan Diversified Income Fund; and**
- (5) the launch of the Elan High Income Fund.**

This document contains a Notice of a meeting of Shareholders in the Company and a Notice of a meeting of shareholders in the Elan Diversified Income Fund, being a Sub-fund of the Company. The meetings are to be held at Eastgate Court, High Street, Guildford, Surrey GU1 3DE on 1 December 2008 at the times set out in this document.

The action required to be taken is set out on page 12.

You are requested to complete and return the Form of Proxy and/or Letter of Direction enclosed with this document as soon as possible and, in any event, so as to be received by Premier Portfolio Managers Limited, Eastgate Court, High Street, Guildford, Surrey GU1 3DE at least 24 hours before the time fixed for the Meeting. The completion and return of the Form of Proxy will not preclude you from attending the Meeting and voting in person should you subsequently wish to do so.

CONTENTS

Contents	3
Timetable for the proposals	4
Definitions	5
Letter to all Shareholders in the Company concerning various changes	7
Appendix 1	15
Summary of the proposed changes in respect of the Elan Diversified Income Fund (and the Elan High Income Fund and the Elan Growth Fund)	
Appendix 2	18
Procedure for the various shareholder meetings to be held	
Appendix 3	20
Comparison of investment and borrowing powers for the Elan Diversified Income Fund (and the Elan High Income Fund and the Elan Growth Fund)	
Appendix 4	23
Notice of Extraordinary General Meeting of the Company	
Appendix 5	25
Notice of Extraordinary General Meeting of the Elan Diversified Income Fund	
Appendix 6	27
Risk Factors	
Proxy Forms / Letters of Direction as applicable enclosed with this document	

SUMMARY OF KEY DATES

•	Qualification date for Shareholder voting	10 November 2008
•	Despatch documentation to Shareholders	13 November 2008
•	Latest date for receipt of Form of Proxy and Letter of Direction	5:00 p.m. on 28 November 2008
•	Meeting of Shareholders of the Company	9:00 a.m. on 1 December 2008
•	Meeting of Shareholders in the Elan Diversified Income Fund	9:10 a.m. on 1 December 2008
•	Effective date on which the following changes will take effect (conditional on shareholder approval):-	2 December 2008
-	Adoption of wider investment powers of the Company;	
-	Introduction of new charges payable out of the scheme property of the Company;	
-	Change of investment policy of the Elan Diversified Income Fund;	
-	Adoption of the wider investment powers by the Elan Diversified Income Fund.	
•	Effective date on which the Elan High Income Fund will be launched	2 December 2008

DEFINITIONS AND INTERPRETATION

References in this document to any statute or statutory instrument or other regulation or rule shall be deemed to include a reference to such statute or statutory instrument or other regulation or rule as from time to time amended and to any codification, consolidation or re-enactment thereof as from time to time in force. The following definitions apply throughout this document unless the context otherwise requires:

"ACD" or "Premier"	the authorised corporate director of the Company, being Premier Portfolio Managers Limited whose registered office is at Eastgate Court, High Street, Guildford, Surrey GU1 3DE;
"Auditors"	the auditors of the Company, Grant Thornton UK LLP, 30 Finsbury Square, London, EC2P 2YU;
"COLL"	the Collective Investment Schemes Sourcebook published by the FSA as part of their Handbook of Rules and Guidance made pursuant to the Financial Services and Markets Act 2000, as amended from time to time;
"Company"	The Elan Fund, being an investment company with variable capital incorporated in England and Wales pursuant to the Regulations and authorised by the FSA;
Company Documents"	the current prospectus and instrument of incorporation relating to the Company;
"covered bonds"	typically a bond that is issued by a credit institution which has its registered office in an EEA State and is subject by law to special public supervision designed to protect bondholders and in particular protection under which sums deriving from the issue of the bond must be invested in conformity with the law in assets which, during the whole period of validity of the bond, are capable of covering claims attaching to the bond and which, in the event of failure of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest, and which may be collateralised;
"Depository"	The Royal Bank of Scotland plc acting in its capacity as depository of the Company;
"document"	this document including the letter to the Company's Shareholders and the Appendices;
"Effective Date"	00:01 a.m. on 2 December 2008 or such other subsequent time and date as may be agreed in writing between the ACD and the Depository;
"FSA"	the Financial Services Authority;
"Instrument"	the Instrument of Incorporation (as amended) constituting and governing the Company;
"Investment Adviser"	Premier Fund Managers Limited;

"Meeting(s)"	the extraordinary general meeting of the Company and the Elan Diversified Income Fund, convened by the relevant Notices of Meeting set out in Appendices 4 and 5 to this document;
"Non-UCITS Retail Scheme"	a collective investment scheme such as the Company which is authorised by the FSA and therefore meets the standards set by the FSA to enable the scheme to be marketed to the public within the UK, but which does not comply with the conditions necessary for it to enjoy the rights conferred by the UCITS Directive;
"Prospectus"	the prospectus of the Company as amended from time to time;
"OEIC Regulations"	The Open-Ended Investment Companies Regulations 2001;
"Register"	the register of shareholders of the Company required to be established and maintained pursuant to and in accordance with the OEIC Regulations;
"Registrar"	Northern Trust Global Services Limited;
"Regulations"	the OEIC Regulations and COLL;
"Shareholder(s)"	in relation to the Share(s) of the Company, the person(s) entered in the Register as the holder(s) of that or those Share(s) on the date seven days before this circular is sent or delivered but always excluding any person or persons who are known not to be registered holders when this document was sent or delivered;
"smaller denomination share"	a share in the capital of the Company with a denomination equal to one thousandth of a Share;
"Sub-fund"	a sub-fund of the Company (being part of the scheme property of the Company which is pooled separately) and to which specific assets and liabilities of the Company may be allocated and which are invested in accordance with the investment objective applicable to such sub-funds;
"UCITS Directive"	a Council Directive of 20 December 1985 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (as amended from time to time).

PREMIER PORTFOLIO MANAGERS LIMITED
Eastgate Court, High Street, Guildford, Surrey GU1 3DE

Date: 13 November 2008

Letter to all Shareholders of the Company

Dear Shareholder

Proposals: (1) for the Company to adopt wider investment powers; (2) to adopt new charges payable out of the scheme property of the Company; (3) to amend the investment policy of the Elan Diversified Income Fund; (4) to adopt wider investment powers in respect of the Elan Diversified Income Fund; and (5) notification of the launch of the Elan High Income Fund.

In order to ensure we continue to meet the needs and expectations of all our shareholders in all our funds we are always looking at ways to improve or update our range of funds to adapt to investor requirements and changing markets.

The purpose of this document is to inform you of a number of proposals in relation to the Company and the Elan Diversified Income Fund, for which, after careful consideration, we are seeking Shareholder approval. In addition we are taking the opportunity to notify Shareholders of various additional changes to the Sub-funds which do not require Shareholder approval, these are explained further below.

SECTION 1 – BACKGROUND TO THE PROPOSED CHANGES

Due to regulatory changes explained below, we have recently carried out a review of the Company and its Sub-funds. This circular contains our proposals, explains the reasons behind them and explains what you, as a Shareholder in the Company, need to do.

The Company operates under rules made by the FSA which are applicable to Non-UCITS Retail Schemes. All UK authorised funds were required to adopt new rules ("COLL"), which were issued by the FSA, by February 2007. These new rules, under which the Company currently operates, provided greater operational and investment flexibility for funds such as the Company. However, in light of the inconsistent application of rules concerning the asset types which regulated funds are permitted to invest in under the rules in COLL, the UCITS (Eligible Assets) Directive 2007/16/EC ("EAD") was issued by the European Commission last year.

Although the principal aim of the EAD is to clarify the types of investments which UCITS Scheme may invest in, the FSA has implemented the EAD in the UK by adding new rules and guidance to COLL which also impact on the operation of Non-UCITS Retail Schemes, such as the Company.

The new rules aim to reflect the evolving nature of products (such as securities and derivatives) and the markets which Non-UCITS Retail Schemes may invest in. In addition to the development of new asset classes such as covered bonds, the new rules allow more flexibility in investments such as investing in recently issued securities and money market instruments. The likely impact of these changes on the Company and its Sub-funds is explained below.

Summary of relevant changes effected by the EAD and the impact on the Company

Recently issued securities

Previously the COLL rules did not permit Non-UCITS Retail Schemes such as the Company to invest in recently issued securities. The new rules permit Non-UCITS Retail Schemes to invest in recently issued securities which under their terms of issue the issuer undertakes to apply to have admitted to an

eligible market. The admission to an eligible market must then be secured within one year of the issue.

Covered bonds

Previously Non-UCITS Retail Schemes such as the Company were permitted to invest in bonds and debentures to the extent they comprised a transferable security and there are certain investment limits which apply to certain types of bonds, such as government and public securities. In addition, the new rules also permit schemes such as the Company to invest in 'covered bonds', which previously were issued only by credit institutions elsewhere in the EU and not recognised in the UK. The new rules in COLL allow the Company to invest up to 100% in covered bonds, and up to 25% of the scheme property may be invested in one or more of these covered bonds issued by the same body.

Money market instruments

The new rules in COLL mean that the potential range of money market instruments which the Company may invest in has been narrowed as they must now comply with specific maturity criteria and must either be admitted to or dealt in on a regulated market, or issuers must be regulated for the purpose of protecting investors and savers. There is however scope for investment in money market instruments issued by securitisation vehicles which have not been permitted previously.

Embedded derivatives

As a consequence of the EAD a transferable security or approved money market instrument which embeds a derivative must be treated as a derivative as well as being eligible transferable securities or approved money market instruments. Previously fund managers have been able to invest in structured products in order to meet a fund's investment objective on the basis that such products were treated either as transferable securities or money market instruments. Therefore it has been possible for managers to invest in structured products whilst only having limited powers to use derivatives, typically for hedging or efficient portfolio management purposes. Under the new rules, if a manager wishes to continue investing in structured products and other investments which embed a derivative then it will be necessary for the investment powers of such funds to be widened.

Having reviewed the current operation and investment strategies of the Company and its Sub-funds we propose that the Company and its Sub-funds alter their investment strategies to adopt the wider investment powers permitted under COLL and to reflect the rule changes that now apply to the Company as a Non-UCITS Retail Scheme.

SECTION 2 – CHANGE OF INVESTMENT POWERS OF THE COMPANY

Change to the Company's powers

You will see from the Notice of an Extraordinary General Meeting in **Appendix 4** that we are proposing an extraordinary resolution in order to widen the Company's investment powers.

We are proposing that the investment and borrowing powers applicable to the Company are widened so as to permit investment in recently issued securities, covered bonds and money market instruments issued by securitisation vehicles, which will provide authority in principle for current and future sub-funds of the Company to invest in these types of assets.

Currently the Company and its Sub-funds are permitted to invest in derivatives and forward transactions for hedging purposes only. In addition to the above proposed changes, we are also proposing that the Company's investment powers be amended to permit investment in derivatives and forward transactions for investment purposes as well as for efficient portfolio management purposes (including hedging).

A comparison of the Company's current and proposed investment powers is set out in **Appendix 3**.

We believe the adoption of these proposed changes will offer the Company and any future sub-funds additional flexibility as regards the range of investments which may be invested in, with the overall intention of improving investor returns.

Introduction of new charges

As a consequence of the above proposed changes the Company and its Sub-funds will be permitted to invest in derivatives for wider investment purposes as well as for efficient portfolio management (including hedging). We are proposing that the costs incurred as a result of the additional risk monitoring of the Sub-funds' use of derivatives be deducted from the scheme property of the Company and allocated fairly and equitably between the Sub-funds (to the extent such Sub-funds utilise their powers to invest in derivatives). It is anticipated that these additional risk monitoring costs will not be material.

We also propose to introduce certain other charges payable out of the scheme property of the Company in order to allow costs incurred in relation to acquiring and disposing of investments to be deducted from the scheme property of the Company. The intention of this proposal is to align the charges permitted to be paid out of the scheme property of the Company with the charging structures of other schemes managed by the ACD. It is not anticipated that the costs associated with this change will be material.

Requirement for Shareholder consent

In accordance with COLL the proposed amendments to the Prospectus to permit the Company to invest in covered bonds, recently issued securities, money market instruments issued by securitisation vehicles and derivatives (for investment purposes as well as for efficient portfolio management, including hedging), and the introduction of the new charges to be deducted from the scheme property of the Company, are regarded as fundamental changes and implementation of these changes is therefore conditional upon the passing of the Extraordinary Resolution of Shareholders in the Company at the Meeting to be held at 9:00 a.m. on **1 December 2008**.

Further details of the procedure by which the proposal will be effected, the action you should take and the implications for you as an investor are set out in **Appendix 2**. We would encourage shareholders to vote in favour of the proposals as, if adopted, we consider that these changes will permit us to manage the Company in the best interests of investors.

The FSA has confirmed that adoption of the above proposed changes will not affect the authorisation of the Company.

The adoption of these wider investment powers by the Elan Diversified Income Fund will be subject to the approval of the Shareholders of the Elan Diversified Income Fund in order that this Sub-fund is permitted, in principle, to invest in these types of investments. This is explained in Section 3 below.

Shareholders should note that the Company has two additional Sub-funds, being the Elan High Income Fund and the Elan Growth Fund. These two Sub-funds have not yet been launched and there are therefore no shareholders in these Sub-funds. Consequently, the adoption of these wider powers by the Elan High Income Fund and the Elan Growth Fund will not be subject to the specific approval of Shareholders.

SECTION 3 – CHANGES TO INVESTMENT POLICIES AND INVESTMENT POWERS OF THE ELAN DIVERSIFIED INCOME FUND

Adoption of wider investment powers

As mentioned in Section 2 above, provided the proposals to widen the Company's current investment powers as explained above are approved, we are also proposing that the Elan Diversified Income Fund adopts the wider investment powers. Adoption of these changes will enable the Elan Diversified Income Fund to invest in recently issued securities, covered bonds and money market instruments issued by securitisation vehicles.

In addition we are also proposing that the Elan Diversified Income Fund adopts the wider powers which will permit it to invest in derivatives for investment purposes as well as for efficient portfolio management purposes (including hedging). **We do not anticipate that the intended use of derivatives and forward transactions will alter or change the overall risk profile of the Company or its Sub-funds.**

As a consequence we would also like to alter the investment policy of the Elan Diversified Income Fund in order that it may benefit from additional flexibility in its chosen investments, thus potentially providing better return for Shareholders. This is explained further below.

Adoption of amended investment policies

As part of the adoption of the wider investment powers by the Elan Diversified Income Fund we would like to alter the investment policy of that Sub-fund to reflect more accurately these wider investment powers, and so that the policy is more focused in its chosen investments, thus potentially providing better returns for Shareholders.

Elan Diversified Income Fund

The investment policy of the Elan Diversified Income Fund currently requires the Sub-fund to achieve its objective by investing:

"in units in collective investment schemes, the Fund may also invest in equities, fixed interest securities, money market instruments deposits and warrants."

It is proposed that the investment policy be amended as follows such that it will invest:

"in units in collective investment schemes, the Fund may also invest in equities, fixed interest securities, money market instruments deposits and warrants."

The Fund may invest in unregulated collective investment schemes such as hedge funds (where investment in such funds would be consistent with the investment objective and policy of the Fund).

Subject to the above, the Fund may invest in any asset class and adopt any investment technique or strategy permitted under the rules in COLL as such rules are applied to non-UCITS retail schemes and in accordance with the investment and borrowing powers applicable to non-UCITS retail schemes as summarised in Appendix 4 to this Prospectus. The Fund may invest in derivatives and forward transactions for investment purposes as well as for the purposes of efficient portfolio management (including hedging)."

The intended effect of the proposed change to the investment policy is to provide the Sub-fund with additional flexibility as to the type of assets it may invest in. In addition the amended investment policy is intended to reflect the wider investment powers which the Sub-fund will be permitted to use, such as derivatives.

It is not proposed that the Sub-fund's investment objective be amended, which requires the Sub-fund to provide income together with some long term capital growth from a portfolio of investments.

Requirement for shareholder consent

Implementation of the proposals to change the investment powers and investment policy of the Elan Diversified Income Fund to permit investment in covered bonds, recently issued securities, money market instruments issued by securitisation vehicles and to permit investment in derivatives for investment purposes (as well as for efficient portfolio management, including hedging), is conditional upon passing the relevant extraordinary resolution of Shareholders at a Meeting of the Elan Diversified Income Fund to be held on **1 December 2008** at the time set out in the Notice of Meeting in **Appendix 5**.

The proposed investment policy of the Elan Diversified Income Fund is set out in the Notice of Meeting of Shareholders in the Elan Diversified Income Fund and in **Appendix 1**. Further details of the procedure by which the proposals will be effected, the action you should take and the implications for you as an investor are also set out in **Appendix 2**.

If the proposed resolution is passed, the Elan Diversified Income Fund will be able to take advantage of the wider investment powers available to it under the new rules, and will also adopt the amended investment policy. We would encourage Shareholders to vote in favour of the proposals as, if adopted, we consider they will permit us to manage the Sub-funds in the best interests of investors.

The Elan Diversified Income Fund will continue to be managed so as to ensure that it remains a qualifying investment for Individual Savings Accounts ("**ISA**").

In the event that the above changes are approved, the Prospectus will be amended to reflect the new investment policy. The FSA has confirmed that adoption by the Elan Diversified Income Fund of the above proposals will not affect the authorisation of the Company.

In the event that the above changes are not approved the Elan Diversified Fund will continue to be managed in accordance with its current, more restrictive, investment powers.

As mentioned above, subject to the adoption of the wider investment powers by the Company, no specific resolution of Shareholders is required in respect of the proposed changes to the investment policies of the Elan High Income Fund and the Elan Growth Fund as neither of these Sub-funds has yet been launched. The changes to the investment policies of these Sub-funds are set out in **Appendix 1**.

SECTION 4 – NOTIFICATION OF OTHER CHANGES

Elan High Income Fund

The ACD wishes to take this opportunity to inform Shareholders that it proposes to launch the Elan High Income Fund in **December 2008**, during which date shares in the Elan High Income Fund will be made available. In accordance with COLL the consent of Shareholders to this proposal is not required. Subject to the approval of Shareholders of the adoption of the wider investment powers by the Company, the Elan High Income Fund will be launched with these wider investment powers and its investment policy amended accordingly, as set out in **Appendix 1**.

The Prospectus has therefore been updated generally in respect of the changes required to issue shares in respect of the Elan High Income Fund including the changes to the Fund's investment policy as set out in **Appendix 1**.

SECTION 5 – OTHER INFORMATION

Consents and approvals

The FSA has confirmed that the adoption of the changes by the Company and the Sub-funds explained above will not affect the authorisation of the Company.

The Depositary, whilst neither making any recommendation nor offering any opinion on the merits of the proposals as such, which are a matter for the judgement of each Shareholder, has informed the ACD that the proposals are in suitable form to be submitted to the Shareholders for consideration.

Costs and expenses

The costs of our proposals in relation to effecting the various changes to the Company and the Sub-funds (including the costs of convening and holding the Meetings, and any adjourned meeting, and of preparing the associated documentation) will be payable by the Company.

It is anticipated that these costs are unlikely to exceed approximately £3,000.

Documents available for inspection

Copies of the following documents will be available for inspection at our offices during normal business hours Monday to Friday (public holidays excepted), from the date of this document until the time of the Company Meeting (or any adjournment):

- (a) the Instrument of the Company;
- (b) the Prospectus of the Company;
- (c) the most recent annual and half yearly reports relating to the Company;
- (d) the approval of the FSA referred to under 'Consents and approvals'; and
- (e) the letter from the Depositary to the ACD referred to under 'Consents and approvals'.

If you are in any doubt as to the action you should take, please consult your financial adviser immediately.

Action to be taken

It is important that you read the entire contents of this document carefully and return the relevant Form of Proxy (or Letter of Direction) for the applicable Extraordinary General Meeting(s), as soon as possible and in any event no later than 24 hours before the start of the Meeting(s).

You should bear in mind that all investment carries risks and as with your existing investment, you should take into account the risk factors which are applicable to the Company and the relevant Sub-fund(s), as listed in Appendix 6, when considering the proposals set out in this document.

If you require any further information concerning the proposal or the contents of this document, please contact us on the following number 01483 400480. If you are in any doubt as to the action you should take, please consult your authorised financial adviser immediately.

Recommendation

We, as the authorised corporate director of the Company and its Sub-funds, believe that the proposals set out in this document are in the best interests of Shareholders. We therefore recommend that you vote in favour of the Extraordinary Resolutions being proposed at the Company Meeting and the Meeting in respect of the Elan Diversified Income Fund.

Yours faithfully

A handwritten signature in black ink, appearing to be 'M. O. O.', written in a cursive style.

Director
Premier Portfolio Managers Limited
ACD of The Elan Fund

Appendix 1

Summary of the proposed changes in respect of the Elan Diversified Income Fund, the Elan High Income Fund and the Elan Growth Fund

Sub-Fund	Current investment policy	Proposed new investment policy	Wider investment powers to be adopted?	Shareholder approval required?
<i>Elan Diversified Income Fund</i>	<i>"The investment policy of the Fund is to invest in units in collective investment schemes, the Fund may also invest in equities, fixed interest securities, money market instruments, deposits and warrants."</i>	<p><i>"The investment policy of the Fund is to invest in units in collective investment schemes, the Fund may also invest in equities, fixed interest securities, money market instruments, deposits and warrants.</i></p> <p><i>The Fund may invest in unregulated collective investment schemes such as hedge funds (where investment in such funds would be consistent with the investment objective and policy of the Fund).</i></p> <p><i>Subject to the above, the Fund may invest in any asset class and adopt any investment technique or strategy permitted under the rules in COLL as such rules are applied to non-UCITS retail schemes and in accordance with the investment and borrowing powers applicable to non-UCITS retail schemes as summarised in Appendix 4 to this Prospectus. The Fund may invest in derivatives and forward transactions for investment purposes as well as for the purposes of efficient portfolio management (including hedging)."</i></p>	Yes	Yes

<p>Elan High Income Fund</p>	<p><i>"The investment policy of the Fund is to invest in units in collective investment schemes, the Fund may also invest in equities, fixed interest securities, money market instruments deposits and warrants."</i></p>	<p><i>"The investment policy of the Fund is to invest in units in collective investment schemes, the Fund may also invest in equities, fixed interest securities, money market instruments deposits and warrants."</i></p> <p><i>The Fund may invest in unregulated collective investment schemes such as hedge funds (where investment in such funds would be consistent with the investment objective and policy of the Fund).</i></p> <p><i>Subject to the above, the Fund may invest in any asset class and adopt any investment technique or strategy permitted under the rules in COLL as such rules are applied to non-UCITS retail schemes and in accordance with the investment and borrowing powers applicable to non-UCITS retail schemes as summarised in Appendix 4 to this Prospectus. The Fund may invest in derivatives and forward transactions for investment purposes as well as for the purposes of efficient portfolio management (including hedging)."</i></p>	<p>Yes</p>	<p>No</p> <p>(Sub-fund has not yet been launched)</p>
<p>Elan Growth Fund</p>	<p><i>"The policy of the Fund is to invest in units in collective investment schemes, the Fund may also invest in equities, fixed interest securities, money market instruments deposits and warrants."</i></p>	<p><i>"The investment policy of the Fund is to invest in units in collective investment schemes, the Fund may also invest in equities, fixed interest securities, money market instruments deposits and warrants."</i></p> <p><i>The Fund may invest in unregulated collective investment schemes such as hedge</i></p>	<p>Yes</p>	<p>No</p> <p>(Sub-fund has not yet been launched)</p>

		<p><i>funds (where investment in such funds would be consistent with the investment objective and policy of the Fund).</i></p> <p><i>Subject to the above, the Fund may invest in any asset class and adopt any investment technique or strategy permitted under the rules in COLL as such rules are applied to non-UCITS retail schemes and in accordance with the investment and borrowing powers applicable to non-UCITS retail schemes as summarised in Appendix 4 to this Prospectus. The Fund may invest in derivatives and forward transactions for investment purposes as well as for the purposes of efficient portfolio management (including hedging)."</i></p>		
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Appendix 2

PROCEDURE FOR THE SHAREHOLDER MEETINGS

The notices convening the Meeting of Shareholders in the Company to widen the Company's investment powers and to adopt the new charges to be deducted from the scheme property of the Company, and the Meeting of Shareholders in the Elan Diversified Income Fund are set out in **Appendices 4 and 5**. The relevant Notice sets out the extraordinary resolutions to be proposed at the relevant Meeting.

1 Timetable

The proposals must be approved by Shareholders of the Company (in the case of the first Meeting) and Shareholders of the Elan Diversified Income Fund in the case of the second Meeting. The Meetings of Shareholders will take place at Eastgate Court, High Street, Guildford, Surrey GU1 3DE on **1 December 2008** at the times set out below. Please note that, if necessary, the start of the second Meeting will be delayed until the preceding Meeting has been closed or adjourned.

The Elan Fund (Company Meeting)	9:00 a.m.
Elan Diversified Income Fund	9:10 a.m.

2 Extraordinary Resolutions and voting

Each Notice of Meeting sets out the applicable resolutions to be proposed at that Meeting. Each resolution will be proposed as an Extraordinary Resolution and, to be passed, it must receive the support of a majority of not less than 75% of the total number of votes cast for or against the resolution.

Those persons who hold shares on the date seven days before the notices of meeting were sent out, but excluding any persons who are known to Premier Portfolio Managers Limited not to be Shareholders at the time of the meeting, are entitled to vote in respect of those shares.

In view of the importance of each proposal, voting at each Meeting will be conducted on the basis of a poll ordered by the chairman of the Meeting, so that the outcome of the vote will be determined by the shares represented in person or by proxy at the Meeting and in respect of which votes are cast rather than by the number of persons at the Meeting. On a poll, a Shareholder may vote either in person or by proxy. The voting rights attaching to each share are such proportion of the voting rights attached to all shares in issue that the price of the share bears to the aggregate price(s) of all the shares in issue at the date seven days before the Notice of the relevant Meeting is deemed to have been served. A Shareholder entitled to more than one vote on a poll need not, if he or she votes, use all his votes or cast all the votes he/she uses in the same way.

3 Voting instructions

A Shareholder is entitled to appoint a proxy to attend and vote at the Meeting(s) on behalf of that Shareholder. Please read the notes printed on the Form of Proxy which will help you to complete it. Please return the Form of Proxy as soon as possible to Premier Portfolio Managers Limited in the postage-paid envelope provided.

You are urged to complete and return the enclosed Form of Proxy or Letter of Direction. To be valid, your voting instructions must be received by no later than 24 hours before the time of the relevant Meeting. If, having completed and returned the Form of Proxy, you attend a Meeting, the Form of Proxy will be set aside and you may vote at the Meeting or sell any share, to which the Form of Proxy relates, before the Meetings of Shareholders, then in respect of those shares, the Form of Proxy will be

ignored and you will not be able to vote in respect of those shares at the Meetings. The Form of Proxy will be valid for adjourned Meetings.

4 Quorum

The quorum for the extraordinary general meeting is two Shareholders present in person or by proxy being Shareholders on the date seven days before the notice of meetings is sent or delivered (whichever is the earlier), but excluding any shares known to have been redeemed before the time of the meeting. If within fifteen minutes from the time appointed for the meeting a quorum is not present, the meeting will be adjourned to a day and time at least seven days later. At an adjourned meeting if a quorum is not present within fifteen minutes from the time appointed for the meeting one person entitled to be counted in a quorum present at the meeting shall be a quorum.

5 Chairman

The Depositary has appointed Mark Friend or, failing him any duly appointed representative of Premier Portfolio Managers Limited to be the chairman of the meeting and any adjourned meeting.

Once passed by the requisite majority, a resolution will be binding on all Shareholders, irrespective of how or whether they voted.

6 The ACD and its associates

Premier Portfolio Managers Limited, as authorised fund manager of the Company, is only entitled to be counted in the quorum and vote at a Meeting in respect of shares it holds on behalf of or jointly with another person who, if himself the registered Shareholder, would be entitled to vote and from whom Premier Portfolio Managers Limited has received voting instructions.

Associates of Premier Portfolio Managers Limited are entitled to be counted in a quorum at a Meeting but may only vote at a Meeting in respect of shares which they hold on behalf of or jointly with, another person who, if that person were the sole registered Shareholder, would be entitled to exercise those rights and from whom such associate has received voting instructions.

7 Consents and Clearances

The Depositary

In accordance with normal practice, The Royal Bank of Scotland plc, the Depositary of the Company, whilst neither recommending nor offering an opinion on the merits of the proposals, which are a matter for each Shareholder's judgment, has informed Premier Portfolio Managers Limited by letter that it has no objection to the proposals being placed before Shareholders for their consideration.

The Depositary has also informed Premier Portfolio Managers Limited by letter that it consents to the references made to it in this document in the form and context in which they appear.

The FSA

The FSA has confirmed by letter to Premier Portfolio Managers Limited that implementation of the proposals will not affect the authorisation of the Company under the Act.

Appendix 3

Comparison of current and proposed investment and borrowing powers of the Sub-Funds

The following table sets out the key differences between the Sub-funds' current investment and borrowing powers and those which will apply if the proposals outlined in this circular are approved by Shareholders.

Please note that the application of these investment and borrowing powers are subject to the specific investment objective and policy of the relevant Sub-fund. It is not proposed that the Sub-funds adopt the widest powers available for Non-UCITS Retail Schemes under COLL. For example, it is not proposed that the Sub-funds will invest in immovable property or gold.

Asset Class	Rules currently applicable to the Sub-funds	Proposed rules applicable to the Sub-funds subject to Shareholder approval
Type of scheme	Non-UCITS Retail Scheme	Non-UCITS Retail Scheme
Asset class		
Transferable securities	100%	100%
Transferable but not approved securities	Up to 20% in unapproved transferable securities	Up to 20%
Recently issued transferable securities	No	Yes
Government and public securities	Yes Up to 100% in GAPS issued by a single named issuer	Yes Up to 100% in GAPS issued by a single named issuer
Covered bonds	No	100% Up to 25% may be invested in covered bonds issued by one issuer
Units in collective investment schemes	100% (No more than 35% may be invested in any one collective investment scheme)	100% (No more that 35% may be invested in any one collective investment scheme)
UCITS Schemes	100%	100%
Investment in collective investment schemes of the ACD/manager or an associate of the ACD/manager	Yes	Yes
Recognised schemes	Yes	Yes
Non-UCITS Retail Schemes	Yes	Yes
Other collective investment schemes which do not fall	Up to 20%	Up to 20%

within any of the above categories		
Money Market Instruments	Yes	Yes
Money market instruments issued by securitisation vehicles	No	Yes
Warrants	Yes Up to 5%	Yes Up to 5%
Deposits	Yes	Yes
Cash and near cash	Yes	Yes
Efficient portfolio management ("EPM")/hedging	Yes	Yes
Derivatives	Yes For hedging purposes only	Yes For investment purposes and for EPM (including hedging)
Investments which embed a derivative (e.g. structured products)	Yes (classified as transferable securities and money market instruments therefore fall within EPM/hedging)	Yes (classified as derivatives therefore fall within use of derivatives for investment purposes; may also be classified as transferable securities and money market instruments when used for the purposes of EPM/hedging)
Immovables (such as real property)	Yes (although it is not intended that the Sub-funds will invest directly in immovable property)	Yes (although it is not intended that the Sub-funds will invest directly in immovable property)
Gold	Yes (Up to 10% although it is not intended that the Sub-funds will invest in gold)	Yes (Up to 10% although it is not intended that the Sub-funds will invest in gold)
Investment techniques		
Stocklending	Yes	Yes
Underwriting	Yes	Yes
Borrowing	10%	10%

Notes:

"Yes" Can be invested in without specific upper limit although there may be other limits.

"No" Not available for investment.

"%" An upper limit although there may be other limits.

Appendix 4

NOTICE OF AN EXTRAORDINARY GENERAL MEETING OF THE ELAN FUND

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the Shareholders in The Elan Fund (the "**Company**") will be held at Eastgate Court, High Street, Guildford, Surrey GU1 3DE on 1 December 2008 at 9:00 a.m. to consider and, if thought fit, to pass the following resolutions which shall be proposed as separate Extraordinary Resolutions:

EXTRAORDINARY RESOLUTIONS

- (1) **THAT** the Company adopts the investment and borrowing powers to the widest extent available to non-UCITS retail schemes as currently contained in Chapter 5 of the Collective Investment Schemes Sourcebook ("**COLL**") of the Financial Services Authority, subject to any investment limitations and restrictions applicable to the Company that may be set out in the Prospectus and Instrument from time to time.
- (2) **THAT** the Company's Prospectus be amended so as to permit the costs and expenses incurred in respect of monitoring the use of derivatives by the Funds to be deducted from the scheme property of the Company.
- (3) **THAT** the Company's Prospectus be amended so as to permit the costs and expenses incurred in respect of acquiring and disposing of investments to be deducted from the scheme property of the Company;

AND THAT the ACD is hereby authorised and instructed to amend the Prospectus of the Company accordingly.

By order of
Premier Portfolio Managers Limited
as Authorised Corporate Director
of The Elan Fund



Director

Dated 13 November 2008

Notes:

- 1 To be passed, an extraordinary resolution must be carried by a majority in favour of not less than 75% of the total votes cast at the Meeting.
- 2 A Shareholder entitled to attend and vote at the above Meeting is entitled to appoint one or more proxies to attend and, on a poll, to vote instead of him. A proxy need not be a Shareholder.
- 3 A form of proxy and Letter of Direction in respect of the Meeting is enclosed. Shareholders are asked to complete and return their forms of proxy or Letter of Direction (as appropriate) as soon as possible, but in any event so as to reach the offices of Premier Portfolio Managers Limited, Eastgate Court, High Street, Guildford, Surrey GU1 3DE not later than 24 hours

before the time appointed for the Meeting. Any power of attorney or other authority (if any) under which the forms of proxy or Letter of Direction are signed (or a notarially certified copy thereof) must be sent with the relevant form of proxy or Letter of Direction.

- 4 Subject to Note 5 below, on a show of hands every Shareholder who (being an individual) is present in person or (being a corporation) is present by its properly authorised representative shall have one vote. On a poll, the voting rights attaching to each share are such proportion of the voting rights attached to all shares in issue that the price of the share bears to the aggregate price(s) of all the shares in issue at the date seven days before the Notice of the Meeting is deemed to have been served. A Shareholder entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.
- 5 The ACD is not entitled to vote or be counted in the quorum in respect of any shares held by it or deemed to be held by it except in respect of any shares which the ACD holds on behalf of or jointly with a person who, if himself the registered Shareholder, would be entitled to vote, and from whom the ACD has received voting instructions. Any associate of the ACD may be counted in the quorum but is only entitled to vote in respect of shares which that associate holds on behalf of or jointly with a person who, if himself the Shareholder, would be entitled to vote, and from whom the associate has received voting instructions.
- 6 The quorum for the Meeting is two Shareholders present in person or by proxy. If, at an adjourned meeting, a quorum is not present within 15 minutes from the time appointed for the meeting, one Shareholder entitled to be counted in a quorum present at the Meeting will constitute a quorum.

Appendix 5

NOTICE OF EXTRAORDINARY GENERAL MEETING OF THE SHAREHOLDERS OF THE ELAN DIVERSIFIED INCOME FUND

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the Shareholders of the Elan Diversified Income Fund (the "**Fund**"), a sub-fund of The Elan Fund (the "**Company**") will be held at Eastgate Court, High Street, Guildford, Surrey GU1 3DE on 1 December 2008 at 9:10 a.m. to consider and vote on the following resolution, which is proposed as a single Extraordinary Resolution:

EXTRAORDINARY RESOLUTION

THAT conditional upon the Resolution numbered (1) set out in the Notice of the Extraordinary General Meeting of the Company being approved by Shareholders of the Company the investment policy of the Elan Diversified Income Fund as stated in the Prospectus be replaced with the following:

"The investment policy of the Fund is to invest in units in collective investment schemes, the Fund may also invest in equities, fixed interest securities, money market instruments, deposits and warrants.

The Fund may invest in unregulated collective investment schemes such as hedge funds (where investment in such funds would be consistent with the investment objective and policy of the Fund).

Subject to the above, the Fund may invest in any asset class and adopt any investment technique or strategy permitted under the rules in COLL as such rules are applied to non-UCITS retail schemes and in accordance with the investment and borrowing powers applicable to non-UCITS retail schemes as summarised in Appendix 4 to this Prospectus. The Fund may invest in derivatives and forward transactions for investment purposes as well as for the purposes of efficient portfolio management (including hedging).";

AND THAT the Fund adopts the investment and borrowing powers to the widest extent available to non-UCITS retail schemes as currently contained in Chapter 5 of the Collective Investment Schemes Sourcebook ("**COLL**") of the Financial Services Authority, subject to any investment limitations and restrictions applicable to the Fund that may be set out in the Prospectus and Instrument from time to time;

AND THAT the ACD is hereby authorised and instructed to amend the Prospectus of the Company accordingly.

By order of
Premier Portfolio Managers Limited
as Authorised Corporate Director
of The Elan Fund



Director

Dated 13 November 2008

Notes:

- 1 To be passed, an extraordinary resolution must be carried by a majority in favour of not less than 75% of the total votes cast at the Meeting.
- 2 A shareholder entitled to attend and vote at the above Meetings is entitled to appoint one or more proxies to attend and, on a poll, to vote instead of him. A proxy need not be a shareholder.
- 3 A form of proxy and Letter of Direction in respect of the Meetings is enclosed. Shareholders are asked to complete and return their forms of proxy or Letter of Direction (as appropriate) as soon as possible, but in any event so as to reach the offices of Premier Portfolio Managers Limited, Eastgate Court, High Street, Guildford, Surrey GU1 3DE not later than 24 hours before the time appointed for the Meetings. Any power of attorney or other authority (if any) under which the forms of proxy or Letter of Direction are signed (or a notarially certified copy thereof) must be sent with the relevant form of proxy or Letter of Direction.
- 4 Subject to Note 5 below, on a show of hands every shareholder who (being an individual) is present in person or (being a corporation) is present by its properly authorised representative shall have one vote. On a poll, the voting rights attaching to each share are such proportion of the voting rights attached to all shares in issue that the price of the share bears to the aggregate price(s) of all the shares in issue at the date seven days before the Notice of the Meeting is deemed to have been served. A shareholder entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.
- 5 The ACD is not entitled to vote or be counted in the quorum in respect of any shares held by it or deemed to be held by it except in respect of any shares which the ACD holds on behalf of or jointly with a person who, if himself the registered shareholder, would be entitled to vote, and from whom the ACD has received voting instructions. Any associate of the ACD may be counted in the quorum but is only entitled to vote in respect of shares which that associate holds on behalf of or jointly with a person who, if himself the shareholder, would be entitled to vote, and from whom the associate has received voting instructions.
- 6 The quorum for the Meeting is two shareholders present in person or by proxy. If, at an adjourned meeting, a quorum is not present within 15 minutes from the time appointed for the meeting, one shareholder entitled to be counted in a quorum present at the meeting will constitute a quorum.

Appendix 6

Risk Factors

You should remember that:

- Past performance should not be seen as an indication of future performance.
- The value of shares and the income derived from them can go down as well as up and as a result, the investor may not get back the amount originally invested. This can be as a result of market movements and also variations in the exchange rates between currencies.
- As The Elan Fund is an umbrella scheme, although each Sub-fund is responsible for meeting its own liabilities, the sub-funds are not "ring-fenced" and in the event of The Elan Fund being unable to meet liabilities attributable to any particular sub-fund out of the assets attributable to such sub-fund, the excess liabilities may have to be met out of the assets attributable to the other sub-funds. You will not however, be liable for the debts of The Elan Fund, nor will you be required to make any further payment to The Elan Fund in respect of fully paid shares held by you.
- Individual performance of a Sub-fund may be affected by the selection of investments by the investment adviser.
- There is a risk to capital, including potential risk of erosion resulting from withdrawals or cancellations of shares and distributions in excess of investment returns.
- The risk of inflation devaluing your investment return.
- There can be no assurance that any appreciation in value of investments will occur.
- The levels of relief from taxation will depend upon individual circumstances. Current tax levels and reliefs may change and their value will depend upon a shareholder's individual circumstances.
- Where Sub-funds may invest in derivatives for investment purposes this may mean that the net asset value of a particular fund could be subject to volatility from time to time, however, it is the ACD's intention that the funds, owing to the portfolio composition or the portfolio management techniques used, will not have volatility over and above the general market volatility of the relevant markets or their underlying investments and therefore it is not anticipated that the use of derivative techniques will alter or change the risk profile of the relevant Sub-fund(s).
- Fixed interest securities are particularly affected by trends in interest rates and inflation. If interest rates go up, the value of capital may fall, and vice versa. The value of a fixed interest security may fall in the event of a default or reduced credit rating of the issuer.
- In certain circumstances Shareholders right to redeem Shares may be suspended in accordance with COLL.
- Investments in emerging markets may be more volatile than investments in more developed markets. Some of these markets may have relatively unstable governments, economies based on only a few industries and securities markets that trade only a limited member of securities.

Many emerging markets do not have well developed regulatory systems and disclosure standards may be less stringent than those of developed markets.

- Depending on a Shareholder's currency of reference currency fluctuations may adversely affect the value of an investment.
- Subject to COLL, the Funds may invest in unregulated collective investment schemes (including hedge funds). Investment in unregulated collective investment schemes carries additional risks as these may not be under the regulation of a competent regulatory authority, may use leverage and may carry increased liquidity risk as units/shares in such schemes may not be readily realisable.