Prospectus

OSPREY FUND

THIS PROSPECTUS IS VALID AND IS DATED AS AT 23 DECEMBER 2019



BNY Mellon Fund Managers Limited is the manager ("Manager") of the Osprey Fund and is the person responsible for the information contained in this Prospectus. The Manager has delegated the investment management of the Fund to Newton Investment Management Limited.



BNY MELLON

INVESTMENT MANAGEMENT

Prospectus of Osprey Fund

This document constitutes the Prospectus for the Osprey Fund (the "Fund") and has been prepared in accordance with the requirements of the Collective Investment Schemes Sourcebook (the "COLL Sourcebook"), which forms part of the FCA Handbook of Rules and Guidance (the "Regulations").

The Fund is a UCITS scheme for the purpose of Chapter 5 of the COLL Sourcebook and is constituted as an authorised unit trust.

Copies of this Prospectus have been sent to the FCA and the Trustee.

IMPORTANT: If you are in any doubt about the contents of this Prospectus you should consult your professional adviser.

This Prospectus is based on information, law and practice as at the date of this Prospectus. The Fund is not bound by any out of date prospectus when it has issued a new prospectus and potential investors should check that they have the most recently published prospectus.

BNY Mellon Fund Managers Limited, the Manager of the Fund, is the person responsible for the information contained in this Prospectus. To the best of its knowledge and belief (having taken reasonable care to ensure that such is the case) the information contained herein does not contain any untrue or misleading statement or omit any matters required by the COLL Sourcebook to be included in it. BNY Mellon Fund Managers Limited accepts responsibility accordingly.

The price of units in the Trust and the income from them may go down as well as up and an investor may not get back the amount invested. There can be no assurance that any Sub-Fund will achieve its investment objective. Potential investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or any matters and are recommended to consult their own professional advisers concerning the acquisition, holding or disposal of units. The Manager of the Trust makes no representations or warranties in respect of suitability.

No person has been authorised by the Manager to give any information or to make any representations in connection with the offering of a unit or units in the Fund ("Unit" or "Units") other than those contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been made by the Manager. The delivery of this Prospectus (whether or not accompanied by any reports) or the issue of Units shall not, under any circumstances, create any implication that the affairs of the Fund have not changed since the date of this Prospectus.

The distribution of this Prospectus and the offering of Units in certain jurisdictions may be restricted. Persons into whose possession this Prospectus comes are required by the Fund to inform themselves about and to observe any such restrictions. This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

Potential investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or any other matters and are recommended to consult their own professional advisers concerning the acquisition, holding or disposal of Units.

The provisions of the Trust Deed are binding on each of the Unitholders and a copy of the Trust Deed is available on written request from BNY Mellon Fund Managers Limited.

This Prospectus has been issued for the purpose of section 21 of the Financial Services and Markets Act 2000 by BNY Mellon Fund Managers Limited.

The distribution of this Prospectus in certain jurisdictions may require that this Prospectus is translated into the official language of those countries. Should any inconsistency arise between the translated version and the English version, the English version shall prevail.

Further information regarding any compensation scheme or any other investor-compensation scheme of which the Investment Manager or the Company is a member (including, if relevant, membership through a branch) or any alternative arrangement provided, is available on request.

United States and restrictions on U.S. Persons

The Units have not been and will not be registered in the United States under the Securities Act of 1933, as amended (the "Securities Act"), or any U.S. state securities laws, and the Fund has not been nor will be registered in the United States under the Investment Company Act of 1940, as amended, and Unitholders will not be entitled to the benefits of such registration. Accordingly, except as provided below, no Units may be offered or sold, directly or indirectly, in the United States, any state thereof or its territories or possessions or to any U.S. Person. The Manager may authorise the offer and sale of Units in the United States or to a limited number or category of U.S. Persons provided that, if so authorised, Units will be offered and sold only to such persons and in such manner as will not require registration of the Fund, or the Units under the securities laws of the United States or any state thereof. The Units have not been approved or disapproved by the United States Securities and Exchange Commission, any state securities commission or other regulatory authority in the United States, nor has any such authority passed upon or endorsed the merits of this offering or the accuracy or adequacy of this Prospectus as may be amended or supplemented from time to time. Any representation to the contrary is a criminal offence. Certain restrictions also apply to subsequent transfers of Units in the United States or to U.S. Persons (please see the compulsory redemption provisions under section " Restrictions and Compulsory Transfer and Redemption" on page 22 of the Prospectus). Should a Unitholder become a U.S. Person they may be subject to adverse tax consequences including without limitation U.S. withholding taxes and tax reporting.

Applicants will be required to certify that they are not U.S. Persons precluded from purchasing, acquiring or holding Units.

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Definitions

The following definitions apply throughout this Prospectus unless the context otherwise requires:

"**Act**"

The Financial Services and Markets Act 2000;

"**Administrator**"

The Bank of New York Mellon (International) Limited;

"**Approved Bank**"

In relation to a bank account opened by the Fund:

(a) if the account is opened at a branch in the United Kingdom:

(i) the Bank of England;

or

(ii) the central bank of a member state of the OECD;

or

(iii) a bank;

or

(iv) a building society which offers, unrestrictedly, banking services;

or

(v) a bank which is supervised by the central bank or other banking regulator of a member state of the OECD;

or

(b) if the account is opened elsewhere:

(i) a bank in (a);

or

(ii) a credit institution established in an EEA State other than in the United Kingdom and duly authorised by the relevant Home State Regulator;

or

(iii) a bank which is regulated in the Isle of Man or the Channel Islands;

or

(c) a bank supervised by the South African Reserve Bank;

"**Benchmark**"

indices used as benchmarks in financial instruments and financial contract to measure the performance of investment funds;

"**Business Day**"

Means any day except for Saturdays and Sundays and public holidays in England and any other day when the London Stock Exchange is not open for business;

"**COLL Sourcebook**"

The rules contained in the Collective Investment Schemes Sourcebook published by the FCA as part of their handbook of rules made under the Financial Services and Markets Act 2000;

"**Comparator Benchmark**"

as defined in the COLL Sourcebook, without being a Target Benchmark or a Constraining Benchmark, the Sub-Fund's performance is compared against the value or price of an index or indices or any other similar factor;

"**EEA State**"

A member state of the European Union and any other state which is within the European Economic Area.

"**Eligible Institution**"

one of certain eligible institutions (being a BCD credit institution authorised by its home state regulator or MIFID investment firm authorised by its home state regulator, as defined in the glossary of definitions to the FCA Handbook);

"**Eligible Market**"

a market which an Investment Manager, in consultation the Depositary, has deemed to be eligible securities market or an eligible derivatives marked, and which satisfies the requirements set out in the COLL Sourcebook. A list such securities markets can be found in Appendix 3 and the list of eligible derivatives markets is in Appendix 4;

"**EPM**" or "**Efficient Portfolio Management**"

the use of techniques and instruments which relate to transferable securities and approved money market instruments and which fulfil the following criteria:

(a) they are economically appropriate in that they are realised in a cost effective way;

(b) they are entered into for one or more of the following aims:

(i) reduction of risk;

(ii) reduction of cost

(iii) generation of additional capital or income for the Fund with a risk level which is consistent with the risk profile of the Fund and the diversification rules laid down in the Regulations;

"**FATCA**"

the US Foreign Account Tax Compliance provisions enacted by the US Hiring Incentives to Restore Employment Act of 18 March 2010 (as amended, consolidated or supplemented from time to time) ;

"**FCA**"

the Financial Conduct Authority of 12 Endeavour Square, London, E20 1JN;

"**Fund**"

Osprey Fund;

"**Glossary**"

the glossary to the Regulations;

"**Investment Adviser**"

Newton Investment Management Limited;

"**Manager**"

BNY Mellon Fund Managers Limited;

"**Net Asset Value**" or "**NAV**"

the value of the Scheme Property less the liabilities of the Fund as calculated in accordance with the Trust Deed;

"**Register of Unitholders**"

The register of Unitholders of the Fund;

"**Regulations**"

The FCA's Handbook of Rules and Guidance made under the Act;

"**Scheme Property**"

the property of the Fund to be given to the Trustee for safe-keeping, as required by the COLL Sourcebook;

"**SDRT**"

stamp duty reserve tax;

"**securities financing transactions**" or "**SFTs**"

as defined in article 3 of the Securities Financing Transactions Regulation, i.e. any or all of the following:

(a) a repurchase contract;

(b) securities or commodities lending and securities or commodities borrowing;

(c) a buy-sell back transaction or sell-buy back transaction;

(d) a margin lending transaction.

"**Securities Financing Transactions Regulation**" or "**SFTR**"

Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012;

"**total return swap**" or "**TRS**"

A derivative contract in which one counterparty transfers the total economic performance, including income from interest and fees, gains and losses from price movements, and credit losses, of a reference obligation to another counterparty;

"**Trust Deed**"

the trust deed constituting the Fund dated 21 December 2000, as amended by subsequent supplemental trust deeds from time to time;

"**Trustee**"

NatWest Trustee and Depositary Services Limited;

"**Unit**" or "**Units**"

a unit or units in the Fund which may be designated as different classes of units in the Fund;

"**Unitholder**"

a holder of registered Units in the Fund;

"**U.S. person**"

a person who is in either of the following two categories:

(a) person included in the definition of "U.S. person" under Rule 902 of Regulation S under the Securities Act;

or

(b) a person excluded from the definition of a "Non-United States person" as used in Commodity Futures Trading Commission ("CFTC") Rule 4.7.

For the avoidance of doubt, a person is excluded from this definition of U.S. Person only if he or it is outside both the definition of "U.S. person" in Rule 902 and the definition of "Non-United States person" under CFTC Rule 4.7.

"U.S. person" under Rule 902 generally includes the following:

(a) any natural person resident in the United States (including U.S. residents temporarily residing abroad);

(b) any partnership or corporation organised or incorporated under the laws of the United States;

(c) any estate of which any executor or administrator is a U.S. person;

(d) any trust of which any trustee is a U.S. person;

(e) any agency or branch of a non-U.S. entity located in the United States;

(f) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person;

(g) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated or (if an individual) resident in the United States;

and

(h) any partnership or corporation if:

(i) organised or incorporated under the laws of any non-U.S. jurisdiction;

and

(ii) formed by a U.S. person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in Rule 501 (a) of Regulation D under the Securities Act) who are not natural persons, estates or trusts.

Notwithstanding the preceding paragraph, "U.S. person" under Rule 902 does not include:

(a) any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. person by a dealer or other professional fiduciary organised, incorporated, or (if an individual) resident in the United States;

(b) any estate of which any professional fiduciary acting as executor or administrator is a U.S. person, if:

(i) an executor or administrator of the estate who is not a U.S. person has sole or shared investment discretion with respect to the assets of the estate;

and

(ii) the estate is governed by non-United States law.

(c) any trust of which any professional fiduciary acting as trustee is a U.S. person, if a trustee who is not a U.S. person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settler if the trust is revocable) is a U.S. person;

(d) an employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country;

(e) any agency or branch of a U.S. person located outside the United States if:

(i) the agency or branch operates for valid business reasons;

and

(ii) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located.

(f) certain international organisations as specified in Rule 902(k)(2)(vi) of Regulation S under the Securities Act.

CFTC Rule 4.7 currently provides in the relevant part that the following persons are considered "Non-United States persons":

(a) a natural person who is not a resident of the United States;

(b) a partnership, corporation or other entity, other than an entity organised principally for passive investment, organised under the laws of a non-U.S. jurisdiction and which has its principal place of business in a non-U.S. jurisdiction;

(c) an estate or trust, the income of which is not subject to United States income tax regardless of source;

(d) an entity organised principally for passive investment such as a pool, investment company or other similar entity, provided that units of participation in the entity held by persons who do not qualify as Non-United States persons or otherwise as qualified eligible persons (as defined in CFTC Rule 4.7(a)(2) or (3)) represent in the aggregate less than ten percent of the beneficial interest in the entity, and that such entity was not formed principally for the purpose of facilitating investment by persons who do not qualify as Non-United States persons in a pool with respect to which the operator is exempt from certain requirements of Part 4 of the CFTC's regulations by virtue of its participants being non-United States persons;

or

(e) a pension plan for the employees, officers or principals of an entity organised and with its principal place of business outside the United States;

"**United States**"

the United States of America (including the states thereof and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction;

"**Valuation Point**"

12 noon (UK time) on each Business Day;

and

"**VAT**"

value added tax.

The Fund

The Fund is an authorised unit trust, established under a trust deed dated 21 December 2000 (as amended) (the "Trust Deed") and authorised by the FCA with effect from 27 December 2000 (FCA product reference number 193883).

Please note that authorisation by the FCA in this context does not in any way indicate or suggest endorsement or approval of the Fund as an investment.

The head office of the Manager is at BNY Mellon Centre, 160 Queen Victoria Street, London EC4V 4LA, which is also the address in the United Kingdom for service on the Fund of notices or other documents required or authorised to be served on it. All communications in relation to this Prospectus shall be in the languages referred to in the relevant Key Investor Information Document.

The base currency of the Fund is pounds sterling.

Unitholders in the Fund are not liable for the debts of the Fund. Unitholders are not liable to make any further payment after they have paid the price on the purchase of Units.

The Fund has been established as a "UCITS scheme". The Fund qualifies as an "Undertaking for Collective Investment in Transferable Securities" ("UCITS") within the meaning of an EC Directive 2009/65/EC, as subsequently supplemented, restated or otherwise modified from time to time and may obtain recognition for marketing in certain member states of the European Economic Area. Where any changes are proposed to be made to the Fund the Manager will assess whether the change is fundamental, significant or notifiable in accordance with rule 4.3 of the COLL Sourcebook. If the change is regarded as fundamental, Unitholder approval will be required. If the change is regarded as significant, 60 days' prior written notice will be given to Unitholders. If the change is regarded as notifiable, Unitholders will receive suitable notice of the change.

A brief summary of the Fund, including available Unit classes, charges, minimum investment levels and distribution dates, is set out in Appendix 1.

INVESTMENT OBJECTIVES AND POLICIES OF THE FUND

The Fund aims to provide capital growth over the long term (5 years or more).

The Fund is actively managed and invests in both UK and international equities (company shares), fixed income securities (bonds) issued by governments and companies, units in collective investment schemes (which may include those which are managed or operated by the Investment Manager or an associate of the Investment Manager) and cash.

The Fund may invest in bonds rated below investment grade (BBB-) by Standard & Poor's (or equivalent recognised rating agency).

To the extent the Fund gains exposure to infrastructure, renewable energy, property or commodities, such exposure may be through exchange listed securities, other transferable securities, warrants, money market instruments and/or collective investment schemes.

The Fund may invest in any geographic or economic sectors of the world. The Investment Manager's process for making investment decisions follows detailed analysis based on a wide range of financial metrics and research. This includes consideration of environmental, social and governance (ESG) risks, opportunities and issues. There are however no specific ESG restrictions on the Investment Manager's decision-making, which is consistent with the Sub-Fund's objectives. Derivatives may be used for investment purposes as well as for efficient portfolio management and hedging. It is not expected that the use of derivatives will materially affect the overall risk profile of the Fund.

PERFORMANCE BENCHMARK

The Fund is managed without benchmark-related constraints. The Fund uses the MSCI AC World NR Index as a point of reference (comparator) against which the Investment Manager invites Shareholders to compare the Fund's performance. The Investment Manager considers this index to be an appropriate comparator because it includes a broad representation of the asset class, sectors and geographical area in which the Fund predominantly invests.

BENCHMARK PROVIDER DISCLAIMER

Source: MSCI. The MSCI information may only be used for your internal use, may not be reproduced or re-disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the "MSCI Parties") expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages. (www.msci.com)

TYPICAL INVESTOR PROFILE

The Fund may be marketed to retail investors aged 18 or over or any institutional investors, subject to meeting the minimum investment requirements. The Fund is suitable for investors who see collective investment schemes as a convenient way of participating in both equity markets and fixed income markets. It is only suitable for more experienced investors wishing to attain defined investment objectives. The investors must have experience with capital at risk products. The investor must be able to accept significant losses, thus the Fund is suitable for investors who can afford to set aside the capital for at least 5 years. It is designed for the investment objective of maximising total return.

Investors should be aware that there is no protection of capital and no guaranteed return and investors can lose the amount invested. Accordingly, Units of the Fund are not suitable for:

any investor who does not have sufficient resources to bear any loss resulting from the investment;

investors who are not prepared to take any risk with their money or put their capital at risk; and/or

any investor looking for guaranteed income or a guaranteed total return.

If you are uncertain about whether this product is suitable for you, please contact an independent financial adviser.

INVESTMENT AND BORROWING POWERS

The assets of the Fund will be invested with the aim of achieving the investment objective and in accordance with the policy of the Fund. They must also be invested so as to comply with this Prospectus, the Trust Deed and with the investment and borrowing powers and restrictions set out in the COLL Sourcebook as they apply to a UCITS scheme. A summary of the investment and borrowing powers and restrictions applicable is set out in Appendix 2. The Manager is subject to the provisions of the Securities Financing Transactions Regulation. The SFTR sets out certain disclosure requirements regarding the use of securities financing transactions and total return swaps, as described in Appendix 2 under the section headed "Investment and Financial Techniques".

CLUSTER MUNITIONS

The UN Convention on Cluster Munitions (the "Convention") prohibits all use, stockpiling, production and transfer of cluster munitions and anti-personnel mines.

The Manager, in recognition of the Convention, has decided not to invest for the Fund in corporates involved in cluster munitions and antipersonnel mines. To this end, the Manager uses an external research provider to highlight those corporates involved in cluster munitions and anti-personnel mines. Where a corporate is reported by our external research provider to undertake such activities, the Manager's policy is not to invest in the securities issued by that corporate.

Management and Administration

THE MANAGER

The Manager of the Fund is BNY Mellon Fund Managers Limited, which is a private company limited by shares, incorporated in England and Wales on 11 March 1986 and is a wholly owned subsidiary of BNY Mellon Investment Management EMEA Limited (a private company limited by shares, incorporated in England and Wales), the ultimate holding company of which is The Bank of New York Mellon Corporation, a corporation registered in the state of Delaware, USA.

Directors: Greg Brisk, Hilary Lopez, Jonathan Lubran, Gerald Rehn, Marc Saluzzi, Anne-Marie Islam and Carole Judd. The Manager is authorised and regulated by the FCA.

Registered Office and Head Office:	**BNY Mellon Centre** 160 Queen Victoria Street, London, EC4V 4LA
Share Capital:	Issued: £1,625,000 Paid up: £1,625,000

Registered in England, Company Number 1998251.

The Manager is responsible for managing and administering the Fund's affairs in compliance with the COLL Sourcebook. The Manager may delegate its management and administration functions to third parties including associates subject to the COLL Sourcebook. The Manager has delegated the investment management of the Fund to the Investment Adviser and certain aspects of the administration of the Fund to the Administrator. The Investment Adviser and Administrator are each associates of the Manager.

OTHER FUNDS MANAGED BY THE MANAGER

As at the date of this Prospectus, the Manager is the authorised fund manager in respect of the following authorised unit trusts:

Newton SRI Fund for Charities
BNY Mellon Charities Funds

In addition to the above mentioned funds, the Manager is also the authorised corporate director of BNY Mellon Investment Funds, BNY Mellon Managed Funds I and BNY Mellon Managed Funds II (open ended investment companies with variable capital).

REMUNERATION POLICY OF THE MANAGER

The Manager has designed and implemented a remuneration policy (the "Remuneration Policy") which is in accordance with the requirements of SYSC 19 E of the FCA Regulations (the UCITS Remuneration Code). The Remuneration Policy is designed to ensure that the

Manager's remuneration practices applicable to staff caught by the relevant rules: are consistent with and promote sound and effective risk management; do not promote risk taking and are consistent with the risk profile of the Manager or the Fund or the provisions of its Trust Deed or Prospectus; do not impair the Manager's compliance with its duty to act in the best interests of the Fund; and includes fixed and variable components of remuneration, including salaries and discretionary pension benefits. The Remuneration Policy is consistent with the business strategy, objectives, values and interests of each of the Manager, the Fund, and the Unitholders and includes measures to avoid conflicts of interest.

In line with the provisions of Directive 2009/65/EC (as amended from time to time) and the relevant guidelines issued by the European Securities and Markets Authority ("ESMA"), each of which may be amended from time to time, the Manager applies its Remuneration Policy in a manner which is proportionate to its size, its internal organisation and the nature, scope and complexity of its activities.

Where the Manager delegates certain portfolio management and risk management functions in respect of the Fund the Manager requires that:

(a) the entities to which portfolio management activities have been delegated are subject to regulatory requirements on remuneration that are equally as effective as those applicable to the Manager;

or

(b) appropriate contractual arrangements are put in place to ensure that there is no circumvention of the remuneration rules set out in the relevant ESMA guidelines or the Regulations.

Up-to-date details of the remuneration policy of the Manager including, but not limited to, a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits including the composition of the remuneration committee, where such a committee exists, will be available at www.bnymellonim.co.uk and a paper copy will be made available free of charge upon request.

The Trustee

The Trustee of the Fund is NatWest Trustee and Depositary Services Limited, a private limited company incorporated in England, its ultimate holding company being The Royal Bank of Scotland Group plc, incorporated in Scotland.

Registered and Head Office:	250 Bishopsgate, London EC2M 4AA
Address for Correspondence:	NatWest Trustee and Depositary Services Limited, Drummond House, 1 Redheughs Avenue, Edinburgh, EH12 9RH

PRINCIPAL BUSINESS ACTIVITY

The Trustee's principal business is the provision of trustee and depositary services.
The Trustee is authorised and regulated by the FCA.

TERMS OF APPOINTMENT

The appointment of the Trustee has been made under a depositary agreement between the Fund and the Trustee (the "**Depositary Agreement**").

Under the terms of the Depositary Agreement, the Trustee, the Fund and the Manager are subject to a duty not to disclose confidential information.

As a general rule, under the Depositary Agreement the Fund will indemnify the Trustee for losses incurred by the Trustee in the proper performance of its obligations and duties under the Depositary Agreement or as a result of its reliance on properly given instructions except in respect of:

(a) its failure to exercise all due care and diligence in the discharge of its functions in respect of the Fund,

(b) its fraud, negligence or wilful default or its intentional or negligent failure to fulfil its obligations under the Depositary Agreement or applicable law and regulation,

or

(c) any liability to the extent that it has actually been recovered by the Trustee.

Nothing in the Depositary Agreement shall act to prevent the Depositary from rendering similar services to others.

The fees to which the Trustee is entitled are set out at section "Trustee's Charges" on page 20.

Termination

The Depositary Agreement may be terminated on at least six months' written notice by the Trustee or the Fund or immediately in certain circumstances set out in the Depositary Agreement. Termination cannot take effect, nor may the Depositary retire voluntarily, until a successor depositary has been appointed.

DUTIES OF THE TRUSTEE

The responsibilities of the Trustee include:

- cash monitoring and verifying each Fund's cash flows;
- safekeeping of the assets of the Fund;
- ensuring that dealing in Units and valuation of Units is carried out in accordance with the Trust Deed and applicable national law including the FCA Regulations;
- ensuring that in transactions involving the Fund, any consideration is remitted within the usual time limits;
- ensuring that the Fund's income is applied in accordance with the Trust Deed and applicable national law, including the FCA Regulations;

- carrying out instructions from the Manager unless they conflict with the Trust Deed and applicable national law, including the FCA Regulations;
- The powers, duties, rights and obligations of the Trustee and the Manager under the Depositary Agreement shall, to the extent of any conflict, be overridden by the FCA Rules and any other applicable laws and regulations.

LIABILITY OF THE TRUSTEE

The Trustee is liable to the Fund and its Unitholders for the loss of a financial instrument held in custody by the Trustee or a third party to whom custody has been delegated. In such case the Trustee is under an obligation to return a financial instrument of identical type or corresponding amount without undue delay. The Trustee will not be liable if it can prove that loss has arisen as a result of an external event beyond its reasonable control (or that of any sub-custodian or other third party), the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. This exclusion is only applicable where the loss of such financial instrument is not the result of any act or omission of the Trustee, its delegates or sub-delegates; the Trustee could not have reasonably prevented the occurrence of the event which led to the loss despite adopting all precautions incumbent on a diligent depositary as reflected in common industry practice; and despite undertaking rigorous and comprehensive due diligence.

As a general rule, the Trustee shall also be liable for any losses suffered as a result of the Trustee's material breach of the Depositary Agreement, negligence, fraud, wilful misconduct or its negligent or intentional failure (or that of any of its delegates) to properly fulfil its obligations under the Regulations, Depositary Agreement or applicable law or regulation.

DELEGATION

Under the Depositary Agreement, the Trustee has the power to (and authorise its delegates to sub-delegate) all or any part of its duties as depositary in relation to safekeeping of the Fund's assets, upon prior notice to the Manager. The Trustee's liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping.

The Trustee has delegated its safe-keeping duties in respect of financial instruments in custody to Citibank, N. A., London Branch. The list of sub-delegates appointed by Citibank, N.A., London Branch is set out in Appendix 6 to this Prospectus. The use of particular sub-delegates will depend on the markets in which the Fund invests. Investors should note that the list of sub-delegates is updated only at each Prospectus review. An updated list of sub-delegates is maintained by the Manager at www.bnymellonim.co.uk.

CONFLICTS

The Trustee may act as the depositary of other open-ended investment companies and as trustee or custodian of other collective investment schemes.

The Trustee and/or its delegates and sub-delegates may in the course of its or their business be involved in other financial and professional activities which may on occasion have potential conflicts of interest with the Fund and/or other funds managed by the Manager or other funds for which the Trustee acts as the depositary, trustee or custodian. The Trustee will, however, have regard in such event to its obligations under the Trustee Agreement and the Regulations and, in particular, will use reasonable endeavours to ensure that the performance of its duties will not be impaired by any such involvement it may have and that any conflicts which may arise will be resolved fairly and in the best interests of Unitholders collectively so far as practicable, having regard to its obligations to other clients. The Trustee maintains a conflict of interest policy to address such conflicts.

Nevertheless, as the Trustee operates independently from the Fund, Unitholders, the Manager and its associated suppliers and the Custodian, the Trustee does not anticipate any conflicts of interest arising between it and any of the aforementioned parties.

Where a conflict or potential conflict of interest arises, the Trustee will have regard to its obligations to the Manager, applicable law and regulation, and its conflicts of interest policy.

Up-to-date information regarding the Trustee, its duties and any conflicts of interest that may arise and the Trustee's delegation arrangements will be made available to Unitholders on request.

The Investment Adviser

The Manager has appointed Newton Investment Management Limited (which is an associate of the Manager) as Investment Adviser, to provide investment management and advisory services to the Manager for the Fund.

Registered office:	BNY Mellon Centre, 160 Queen Victoria Street, London EC4V 4LA

PRINCIPAL BUSINESS ACTIVITY

The principal activity of the Investment Adviser is discretionary investment management and it does not act as a broker fund adviser.
The Investment Adviser is authorised and regulated by the FCA.

TERMS OF AGREEMENT

The Investment Adviser has been appointed by an investment management agreement (the "Investment Management Agreement") made between the Manager and the Investment Adviser dated 8 January 1996, as amended, to provide discretionary management services in respect of the Fund.

The Investment Adviser has authority to make investment decisions on behalf of the Manager. The Manager is however entitled to give further instructions to the Investment Adviser. The Investment Management Agreement may be terminated at any time by the Manager. No minimum period of notice is required.

The Investment Adviser is to act in good faith in carrying out its duties but will not be liable to the Manager except in respect of negligence, default or fraud committed by the Investment Adviser or any of its associates.

The Investment Adviser is in the same group of companies as the Manager.

The Registrar and Register of Unitholders

The Manager is responsible for the maintenance of the Register of Unitholders. However, the Manager has delegated part of the maintenance of the Register of Unitholders to the Administrator.

The Register of Unitholders is kept and may be inspected during normal office hours at BNY Mellon Centre, 160 Queen Victoria Street, London, EC4V 4LA by any Unitholder or any Unitholder's duly authorised agent.

The Auditor

The auditor of the Fund is Ernst & Young LLP, 1 More London Place, London SE1 2AF.

Winding Up of the Fund

1. The Fund shall be wound up if the order declaring it to be an authorised unit trust scheme is revoked, if the FCA determines to revoke the order at the request of the Trustee on the effective date of a duly approved amalgamation of the Fund with another authorised unit trust scheme or a recognised scheme (as defined in the Financial Services & Markets Act 2000), or on the effective date of a duly approved scheme of arrangement which is to result in the Fund being left with no property.
2. The Fund may be wound up under the COLL Sourcebook if:
   - 2.1 an extraordinary resolution to that effect is passed by Unitholders;

     or
   - 2.2 the period (if any) fixed for the duration of the Fund by the Trust Deed expires, or the event (if any) occurs on the occurrence of which the Trust Deed provides that the Fund is to be wound up (for example, if the capital of the Fund is below its prescribed minimum;

     or
   - 2.3 on the date of effect stated in any agreement by the FCA to a request by the Manager for the revocation of the authorisation order in respect of the Fund.
3. On the occurrence of any of the above:
   - 3.1 COLL 5 (Investment and Borrowing Powers), COLL 6 (in relation to dealing and valuation and pricing) of the Regulations, concerning Investment and Borrowing Powers and Pricing and Dealing will cease to apply;
   - 3.2 the Fund will cease to issue and cancel Units in the Fund and the Manager shall cease to sell or redeem Units or arrange for the Fund to issue or cancel them for the Fund;
   - 3.3 no transfer of a Unit shall be registered and no other change to the register shall be made without the sanction of the Manager;
   - 3.4 where the Fund is being wound up, the Fund shall cease to carry on its business except in so far as it is beneficial for the winding up of the Fund;

   and
   - 3.1 the powers of the Fund and, subject to the provisions of sections 3.1 to 3.4 above, the powers of the Manager shall remain until the Fund is dissolved.
4. The Trustee shall, as soon as practicable after the Fund falls to be wound up, realise the assets and meet the liabilities of the Fund and, after paying out or retaining adequate provision for all liabilities properly payable and retaining provision for the costs of winding up, make one or more interim distributions out of the proceeds to Unitholders proportionately to their rights to participate in the Scheme Property. When the Trustee has caused all of the Scheme Property to be realised and all of the liabilities of the Fund to be realised, the Trustee shall also make a final distribution to Unitholders on or prior to the date on which the final account is sent to Unitholders of any balance remaining in proportion to their holdings in the Fund.
5. As soon as reasonably practicable after completion of the winding up of the Fund, the Trustee shall notify the FCA in writing that it has done so and the Trustee or the Manager shall request the FCA to revoke the order of authorisation.
6. On completion of a winding up of the Fund, the Fund will be dissolved and any money (including unclaimed distributions) standing to the account of the Fund, will be paid into court within one month of dissolution.
7. Following the completion of a winding up of the Fund, the Trustee must prepare a final account showing how the winding up took place and how the Scheme Property was distributed. The auditors of the Fund shall make a report in respect of the final account stating their opinion as to whether the final account has been properly prepared. This final account and the auditors' report must be sent to the FCA, to each Unitholder and, in the case of the winding up of the Fund, to the FCA within four months of the termination of the winding up.

Characteristics of Units in the Fund

The nature of the right represented by Units is that of a beneficial interest under a trust.

Classes of Units within the Fund

1. One or more class(es) of Unit(s) may be created in respect of the Fund. The Trust Deed permits the issue of Income Units, Accumulation Units, Institutional Units W (Income) and Institutional Units W (Accumulation). Currently only Income Units, Institutional Units W (Income) and Institutional Units W (Accumulation) are available for issue. Further detail on the classes of Unit(s) currently available for issue are set out in Appendix 1 to this Prospectus.
2. An Income Unit is a Unit available to any retail investor or any institutional investor.
3. Institutional Units W (Income) and Institutional Units W (Accumulation) are Units available exclusively either to:
   - 3.1 Institutional investors who meet the minimum initial investment level and the minimum holdings as set out in Appendix 1,

     or
   - 3.2 Entities designated by the Manager as providing platform services, and which have platform arrangements (or an equivalent) with the Manager or its associates, and which are investing on behalf of underlying investors rather than on their own behalf. There are no specific minimum initial investment or holding requirements, however platforms will be subject to minimum account maintenance or other qualifications established from time to time by the Manager.
4. Holders of Income Units and Institutional Units W (Income) in respect of which income allocated to those Units is distributed periodically under FCA Regulations gross (without any tax being deducted or accounted for by the Fund) are entitled to be paid the income attributed to such Units on the relevant interim and annual allocation dates.
5. Holders of Institutional Units W (Accumulation) are not entitled to be paid the income attributable to such Units. Rather any income allocated to such units is attributed periodically to the relevant Unit class (and retained as part of the capital assets of the Fund) on the relevant interim and/or annual accounting dates in accordance with the Trust Deed without any tax being deducted or accounted for by the Fund and is reflected in the price of the relevant Units.
6. Investment in Unit(s) is restricted to meeting certain requirements ("Unit Class Restrictions") as set out in Appendix 1. The Manager has the right to waive the Unit Class Restrictions for any class of Unit in the Fund at any time.
7. Each class may attract different charges and expenses and so monies may be deducted from classes in unequal proportions. In these circumstances the proportionate interests of the classes will be adjusted accordingly.
8. When available, Unitholders are entitled (subject to the Unit Class Restrictions and certain other requirements) to switch all or part of their Units in a class for Units in another class.

Evidence of Title

Title to Units held in the Fund will be evidenced by an entry in the Register of Unitholders. The Fund does not issue certificates as evidence of title.

Unitholder Meetings and Voting Rights

REQUISITIONS OF MEETINGS

The Manager or Trustee may requisition a general meeting at any time.

Unitholders may also requisition a general meeting of the Fund. A requisition by Unitholders must state the objects of the meeting, be dated, be signed by Unitholders who, at the date of the requisition, are registered as holding not less than one-tenth in value of all Units then in issue (excluding the Manager) and the requisition must be deposited at the head office of the Fund. The Manager must convene a general meeting no later than eight weeks after receipt of such requisition.

A meeting of Unitholders duly convened and held may, by extraordinary resolution require, authorise or approve any act, matter or document in respect of which any such resolution is required or expressly contemplated by the COLL Sourcebook, but shall not have any other powers.

NOTICE OF QUORUM

Unitholders will receive at least 14 days' notice of any meeting of Unitholders and are entitled to be counted in the quorum and vote at any such meeting either in person or by proxy or in the case of a body corporate by a duly authorised representative. The quorum for a meeting is two Unitholders, present in person or by proxy. The quorum for an adjourned meeting is one Unitholder present in person or by proxy. Notices of Meetings and adjourned meetings will be sent to Unitholders at their registered addresses.

VOTING RIGHTS

At a meeting of Unitholders, on a show of hands every Unitholder who (being an individual) is present in person or (being a corporation) is present by its representative properly authorised in that regard, has one vote.

On a poll vote, a Unitholder may vote either in person or by proxy (who need not be a Unitholder). The voting rights attaching to each Unit are such proportion of the voting rights attached to all the Units in issue that the price of the Unit bears to the aggregate price(s) of all the Units in issue at the date seven days before the notice of meeting is deemed to have been served.

A Unitholder 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.

Any resolution required by the COLL Sourcebook will be passed by a simple majority of the votes validly cast for and against the resolution, except where the COLL Sourcebook or the Trust Deed require an extraordinary resolution. An extraordinary resolution must be carried by a majority of not less than 75 per cent of the votes cast at a meeting if the resolution is to be passed.

Where every Unitholder is prohibited under COLL 4.4.8R(4) from voting, a resolution may, with the prior written agreement of the Trustee, instead be passed with the written consent of Unitholders representing 50% or more, or for an extraordinary resolution 75% or more, of the Units in issue. Neither the Manager nor any associate of the Manager shall be entitled to vote at any meeting of Unitholders except that such an associate may vote in respect of Units which he holds as bare trustee or nominee on behalf of the person from whom he has received voting instructions. At any meeting of Unitholders, on a show of hands, every Unitholder present in person or by proxy, or if a corporation, by one of its officers as its proxy, shall have one vote.

Except in respect of Units in the Fund which are participating securities, in the context of despatch of notice and in the context of voting, "Unitholders" means the persons who are entered on the Register of Unitholders seven days before the notice of meeting was deemed to have been served but excluding persons who are known to the Manager not to be Unitholders at the time of the meeting. Where any Unit is a participating security "Unitholders" means the persons entered on the Register of Unitholders at the close of business on a day to be determined by the Manager which must not be more than 21 days before the notices of the meeting was deemed to have been served.

CLASS MEETINGS

The above provisions, unless the context otherwise requires, apply to class meetings as they apply to general meetings of Unitholders.

VARIATION OF CLASS RIGHTS

The rights attached to a class may not be varied without the sanction of a resolution passed at a meeting of Unitholders of that class by a seventy-five per cent majority of those votes validly cast for and against such resolution.

Valuations

The price of a Unit in the Fund is calculated by reference to the Net Asset Value of the Fund. Units in the Fund are single priced. The Net Asset Value per Unit is currently calculated at the Valuation Point.

The Manager may at any time during a Business Day carry out additional valuations of the Scheme Property if it considers it desirable to do so.

Determination of Net Asset Value

The Net Asset Value of the Fund will be determined in accordance with the COLL Sourcebook. The value of the Scheme Property shall be the value of its assets less the value of its liabilities determined in accordance with the following provisions:

1. All Scheme Property (including receivables) is to be included, subject to the following provisions;
2. Property which is not cash (or other assets dealt with in point 3 below) or a contingent liability transaction shall be valued as follows and the prices used shall (subject as follows) be the most recent prices which it is practicable to obtain:
   - 2.1 units or shares in a collective investment scheme:
     - 2.1.1 if a single price for buying and selling units or shares is quoted, at that price;

       or
     - 2.1.2 if separate buying and selling prices are quoted, at the average of the two prices provided the buying price has been reduced by any initial charge included therein and the selling price has been increased by any exit or redemption charge attributable thereto;

       or
     - 2.1.3 if, in the opinion of the Manager, the price obtained is unreliable or no recent traded price is available or if no recent price exists, at a value which, in the opinion of the Manager, is fair and reasonable;
   - 2.2 any other transferable security;
     - 2.2.1 if a single price for buying and selling the security is quoted, at that price;

       or
     - 2.2.2 if separate buying and selling prices are quoted, at the average of the two prices;

       or
     - 2.2.3 if, in the opinion of the Manager, the price obtained is unreliable or no recent traded price is available or if no price exists, at a value which, in the opinion of the Manager, is fair and reasonable;
   - 2.3 Property other than that described in 2.1 and 2.2 above, at a value which, in the opinion of the Manager, represents a fair and reasonable mid-market price.
3. Cash and amounts held in current and deposit accounts and in other time-related deposits shall be valued at their nominal values.
4. Property which is a contingent liability transaction shall be treated as follows:
   - 4.1 if a written option, (and the premium for writing the option has become part of the Scheme Property), deduct the amount of the net valuation of premium receivable. If the property is an off-exchange derivative the method of valuation shall be agreed between the Manager and the Trustee;
   - 4.2 if an off-exchange future, include at the net value of closing out in accordance with a valuation method agreed between the Manager and the Trustee;
   - 4.3 if any other form of contingent liability transaction, include at the net value of margin on closing out (whether as a positive or negative value). If the property is an off-exchange derivative, the method of valuation shall be agreed between the Manager and the Trustee.
5. In determining the value of the Scheme Property, all instructions given to issue or cancel Units shall be assumed (unless the contrary is shown) to have been carried out (and any cash paid or received) whether or not this is the case.
6. Subject to sections 7 and 8 below, agreements for the unconditional sale or purchase of property which are in existence but uncompleted shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and, in the opinion of the Manager, their omission shall not materially affect the final net asset amount.
7. Futures or contracts for differences which are not yet due to be performed and unexpired and unexercised written or purchased options shall not be included under section 6.
8. All agreements are to be included under section 6 which are, or ought reasonably to have been, known to the person valuing the property.
9. Deduct an estimated amount for anticipated tax liabilities in time including (as applicable and without limitation) capital gains tax, income tax, corporation tax and advance corporation tax, VAT, stamp duty, stamp duty reserve tax and any other transfer or financial transaction tax.
10. Deduct an estimated amount for any liabilities payable out of the Scheme Property and any tax thereon treating periodic items as accruing from day to day.

11. Deduct the principal amount of any outstanding borrowings whenever payable and any accrued but unpaid interest on borrowings.
12. Add an estimated amount for accrued claims for tax of whatever nature which may be recoverable.
13. Add any other credits or amounts due to be paid into the Scheme Property.
14. Add a sum representing any interest or any income accrued due or deemed to have accrued but not received.
15. Currencies or values in currencies other than the base currency shall be converted at the relevant valuation point at a rate of exchange that is not likely to result in any material prejudice to the interests of holders or potential holders.
16. Unreliable or stale pricing may occur if new price-sensitive information arises when securities exchanges are closed due to local exchange opening hours or public holidays. Unreliable or stale pricing may also occur as a result of events such as significant market movement in similar markets or industries, natural disasters or government actions.
17. The Manager through its Fair Value Pricing Committee, may make a fair and reasonable price adjustment (Fair Value Price Adjustment) to the Net Asset Value with the aim of producing the 'fairest' dealing price and to protect the interests of all existing and prospective investors.
18. The price at which the Manager issues Units may not exceed the Net Asset Value per Unit and any initial charge. The price at which the Manager redeems Units will not be less than the Net Asset Value per Unit.
19. For the purposes of calculating the Manager's and Trustee's periodic charges the Scheme Property is valued on a mid-market basis; for the purpose of calculating the investment limits the Scheme Property is also valued on a mid-market basis.

Charges and Expenses

All fees or expenses payable out of the Scheme Property are set out in this section.

MANAGER'S CHARGES

In payment for its services, the Manager may impose an initial charge as set out in Appendix 1.

In addition, the Manager is entitled to receive a periodic charge, usually referred to as the annual management charge. The current annual management charges for the Unit classes available in the Fund are set out in Appendix 1.

The annual management charge is calculated and accrued daily. Each accrual is based on the NAV of the Fund applicable for the previous day plus/minus the current day's issues/cancellations and is payable monthly in arrears on the first Business Day of each month. Accrual periods run to the last Business Day of each month, except in the case of the last month of each of the interim and annual accounting periods when it is the last calendar day of those months.

The Manager is also entitled to receive a fee in respect of its duties in establishing and maintaining the Register of Unitholders and any sub-register of Unitholders, which is taken from the Scheme Property. The current registration charge is £5 per annum for each holding on the Register of Unitholders, subject to a minimum charge to the Fund of £1,100 per annum. The Registrar's fee accrues daily and is payable monthly.

The initial charge, annual management charge or registration charges may be increased only after the Manager has given at least 60 days written notice to the Trustee and to Unitholders (in the case of an increase in the annual management charge or registration charge), or to all persons who ought reasonably to be known to the Manager to have made arrangement for the purchase of Units at regular intervals (in the case of an increase in the initial charge) and only after the Manager has revised the Prospectus to reflect the proposed increase and its commencement date.

If a Unit class's expenses in any period exceed the income the Manager may take that excess from the capital property attributable to that Unit class.

The fees and expenses of the Investment Adviser (plus VAT thereon where applicable) will be paid by the Manager out of its own assets. The Investment Adviser may use internal and external research to inform its decision–making. Payment for the external research used by the Investment Adviser will be out of its own resources.

TRUSTEE'S CHARGES

The Trustee receives for its own account a periodic fee. The fee is payable out of the Scheme Property. The rate of the periodic fee is agreed between the Manager and the Trustee in accordance with the COLL Sourcebook. The Trustee's fee for the Fund is currently calculated on a sliding scale as follows:

(a) 0.025% per annum on first £40 million;

(b) 0.015% per annum on next £40 million;

(c) 0.0050% per annum on next £420 million;

or

(d) 0.0020% per annum on the remaining balance.

No minimum charge is applicable. Subject to current HM Revenue & Customs' regulations, the Trustee's fee is subject to VAT, where applicable, at the prevailing rate in addition to the Trustee's remuneration and expenses.

The Trustee's fee is calculated monthly based on the Net Asset Value of the Fund on the last Business Day of the previous month for all calendar days of the month and is payable to the Trustee within seven Business Days of the month end.

Each subsequent accrual interval shall commence immediately after the end of the preceding interval and shall terminate at the end of the last day of the month following in which the preceding accrual interval terminated.

In addition to the periodic fee referred to above, the Trustee will also be paid transaction charges and custody charges out of the Scheme Property. Transaction charges vary from country to country, depending on the markets and the value of the stock involved, and, where levied, currently range from £5.00 to £74 per transaction. These charges accrue at the time the transactions are effected and are payable as soon as is reasonably practicable, and in any event not later than on the last Business Day of the month when such charges arose (unless otherwise agreed between the Trustee and the Manager). Custody charges again vary from country to country, depending on the markets and the value of the stock involved, and, where levied, currently range from 0.002 per cent per annum to 0.45 per cent per annum of the value of the relevant Scheme Property. Custody charges accrue and are payable as agreed from time to time by the Manager and the Trustee.

The following expenses may be paid out of the Scheme Property:

(a) broker's commission, fiscal charges and other disbursements which are:

  (i) necessarily incurred in effecting transactions for the Fund,

  and

  (ii) normally shown in contract notes, confirmation notes and difference accounts as appropriate.

(b) interest on borrowings permitted under the Fund and charges incurred in effecting or terminating such borrowings or in negotiating or varying the terms of such borrowings;

(c) taxation and duties payable in respect of the Scheme Property, the Trust Deed or the surrender and issue of Units and any stamp duty, SDRT and any other transfer or financial transaction tax;

(d) any costs incurred in modifying the Trust Deed including costs incurred in respect of meetings of holders convened for the purposes of modifying the Trust Deed where the modification is:

(i) necessary to implement or necessary as a direct consequence of any change in the law (including changes to regulations);

or

(ii) expedient having regard to any change in the law made by or under any fiscal enactment and which the Manager and Trustee believes is in the interest of the Unitholders;

or

(iii) to remove from the Trust Deed obsolete provisions;

(e) any costs incurred in respect of meetings of holders convened by the Trustees or on a requisition by holders not including the Manager or an associate of the Manager;

(f) liabilities on unitisation, amalgamation or reconstruction;

(g) the audit fee properly payable to the auditor and any proper expenses of the auditor;

(h) the fees of the FCA under the Fees Manual or the corresponding fees of any regulatory authority in a country or territory outside the United Kingdom in which Units in the Fund are or may be marketed;

(i) VAT properly payable in connection with sections (a) to (h) above;

(j) costs incurred in maintaining the Register of Unitholders and any plan register;

(k) costs incurred in collecting and distributing income and in the provision of banking services;

(l) costs incurred in submitting tax returns;

(m) costs incurred in handling tax claims;

(n) costs incurred in preparing the Trustee's annual and interim reports;

(o) costs incurred in stock lending or derivative transactions;

(p) costs incurred in performing such other duties as the Trustee is required by law to perform;

(q) any out of pocket expenses permitted by law including the fees and expenses of professional advisers and agents used by the Trustee in connection with its duties and any applicable VAT thereon;

and

(r) Where charges are taken from the capital property of the Fund it may constrain the growth of the Fund.

Dilution Adjustment

The basis on which the Fund's investments are valued for the purposes of calculating the issue and redemption price of Units are summarised on page 18 in sections " Valuations" and "Determination of Net Asset Value" respectively. The Fund's investments are valued on a mid-market basis in accordance with the COLL Sourcebook and the Trust Deed.

However, the actual cost of purchasing or selling investments may deviate from the mid-market value used in calculating the Unit price, due to dealing costs such as broking charges, taxes and any spread between the buying and selling prices of the underlying investments.

These dealing costs can have an adverse effect on the value of the Fund, known as "dilution".

The COLL Sourcebook allows the cost of dilution to be met directly from the Fund's assets or to be recovered from investors on the purchase or redemption of Units, inter alia, by means of a dilution adjustment to the dealing price, which is the policy which has been adopted by the Manager.

To mitigate the effects of dilution the Manager therefore has the discretion to make a dilution adjustment in the calculation of the dealing price and thereby adjust the dealing price of Units in the Fund to take account of dealing costs.

The need to make a dilution adjustment will depend on the volume of purchases or redemptions on any given day.

The Manager may make a discretionary dilution adjustment if in its opinion the existing (for net purchases) or remaining (for net redemptions) Unitholders might otherwise be adversely affected. The Manager therefore reserves the right to impose a dilution adjustment in the following circumstances:

(a) where the Fund is in continual decline (is suffering a net outflow of investment);

(b) where the Fund is experiencing large levels of net subscriptions or net redemptions relative to its size;

and

(c) in any other circumstances where the Manager believes it will be in the interests of Unitholders to make a dilution adjustment.

This policy to make a dilution adjustment to the dealing price will be subject to regular review and may change.

The Manager's decision on whether or not to make a dilution adjustment, and at what level this adjustment might be made in particular circumstances or generally, will not prevent it from making a different decision in similar circumstances in the future.

Where a dilution adjustment is applied, it will increase the dealing price when there are net inflows into the Fund and decrease the dealing price when there are net outflows. The dealing price of each class of Unit will be calculated separately but any dilution adjustment will in percentage terms affect the dealing price of Units of each class identically.

As dilution is directly related to the inflows and outflows of monies into and from the Fund, it is not possible to predict accurately whether dilution will occur at any future point in time. Consequently it is also not possible to predict accurately how frequently the Manager will need to make such a dilution adjustment.

However, estimates of the dilution adjustments based on assets held in the Scheme and market conditions at the time of this Prospectus as well as the number of occasions on which the dilution adjustment was applied in the six month period to 30 June 2019, are set out below:

Estimated dilution adjustment applicable to sales	0.085%
Estimated dilution adjustment applicable to redemptions	0.075%
Number of dealing days on which dilution adjustment was applied in the six month period	0

Calculation of Dilution Adjustment

As explained above, the Manager may make a dilution adjustment when calculating the price of a Unit. In deciding whether to make a dilution adjustment the Manager must use the following bases of valuations:

(a) when by reference to any Valuation Point the aggregate value of the Units of all classes issued exceeds the aggregate value of Units of all classes cancelled (i.e. the Fund is experiencing a net inflow of investment) any adjustment must be upwards and the dilution adjustment must not exceed the Manager's reasonable estimate of the difference between what the price would have been had the dilution adjustment not been taken into account and what the price would have been had the Scheme Property been valued on the best available market offer basis plus dealing costs;

or

(b) when by reference to any Valuation Point the aggregate value of the Units of all classes cancelled exceeds the aggregate value of Units of all classes issued (i.e. the Fund is experiencing a net outflow of investment) any adjustment must be downwards;

and

(c) the dilution adjustment must not exceed the Manager's reasonable estimate of the difference between what the price would have been had the dilution adjustment not been taken into account and what the price would have been had the Scheme Property been valued on the best available market bid basis less dealing costs.

Issue and Redemption of Units

The Manager may arrange for the Fund to issue or redeem Units in exchange for assets other than money, but will only do so where the Trustee is satisfied that the Fund's acquisition or redemption of those assets in exchange for the Units concerned is not likely to result in any material prejudice to the interests of Unitholders.

In relation to the issue of Units, the Manager will ensure that the beneficial interest in the assets is transferred to the Fund with effect from the issue of the Units.

The Manager will not issue Units in exchange for assets the holding of which would be inconsistent with the investment objective of the Fund.

Restrictions and Compulsory Transfer and Redemption

1. The Manager may from time to time impose such restrictions as it may think necessary for the purpose of ensuring that no Units are acquired or held by any person in circumstances:

   1.1 which may constitute a breach of the law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory including, without limitation, any applicable exchange control regulation or by a U.S. Person;

   or

   1.2 which would (or would if other shares were acquired or held in like circumstances) result in the Fund incurring any liability to taxation, withholding tax or suffering any other adverse consequence (including a requirement to register under any securities, investment or similar laws or governmental regulation of any country or territory).

2. In this connection, if it comes to the notice of the Manager that any Units (the "affected Units") have been acquired or are being held in each case whether beneficially or otherwise in any of the relevant

circumstances referred to in sections 1.1 and 1.2 or if the Manager reasonably believes this to be the case, the Manager may, give notice to the Unitholder of the affected Units requiring the Unitholder to transfer such Units to a person who is qualified or entitled to own such Units or to give a request in writing for the redemption or cancellation of such Units in accordance with the Regulations. If any person on whom such notice is served pursuant to this section does not within thirty days after the date of such notice transfer his Units to a person qualified to hold the same, or establish to the satisfaction of the Manager (whose judgement shall be final and binding) that he and any person on whose behalf he holds the affected Units are qualified and entitled to hold Units, he shall be deemed upon the expiration of that thirty day period to have given a request in writing for the redemption or cancellation (at the discretion of the Manager) of the affected Units pursuant to the Regulations.

3. A person who becomes aware that he has acquired or holds affected Units, whether beneficially or otherwise in any of the relevant circumstances referred to in sections 1.1 and 1.2 shall immediately, unless he has already received such a notice pursuant to section 2, either transfer or procure the transfer of all the affected Units to a person qualified to own the same or give a request in writing or procure that a request is so given for the redemption or cancellation of all the affected Units pursuant to the Regulations.

Equalisation and Grouping for Equalisation

Income equalisation applies in relation to the Fund.

Part of the purchase price of a Unit in the Fund reflects accrued income received or to be received in the current distribution period. This is a capital amount and equalisation payments are made to Unitholders on the first distribution date following the purchase of their Units and represent the return of the amount included in the purchase price of those Units in respect of accrued income to the date of purchase which is repaid to the investor as capital.

The Trust Deed permits the Manager to group Units over each interim or annual accounting period. The total amount of equalisation included in the price of Units issued during such a grouping period may be averaged, so that investors will receive the same amount of equalisation per Unit for each Unit purchased by them during the relevant grouping period.

Allocation and Accumulation of income

Allocations of income are made in respect of the income available for allocation in each accounting period.

The Trustee shall allocate the amount of income available to Units in issue at the end of the relevant accounting period.

Holders of Income Units and Institutional Units W (Income) in respect of which income allocated to those Units is distributed periodically under FCA Regulations gross (without any tax being deducted or accounted for by the Fund) are entitled to be paid the income attributed to such Units. Income will be paid directly to the bank or building society account of holders of such Units or by such other method as determined by the Manager two (2) Business Days before 31 December (annual) and 30 June (interim). The relevant distribution dates are also shown in Appendix 1. If the holders of such Units do not provide bank or building society details, income will be automatically reinvested to purchase further Units.

Holders of Institutional Units W (Accumulation) will not receive income distributions since income received is retained within the Fund and reflected in the price of their Units. This process will add to the value of the Units whilst the number of Units held will not be increased. A tax voucher is despatched in respect of each notional distribution on such Units.

A reinvestment facility is available. If a distribution remains unclaimed for a period of six years after it has become due it will be forfeited and will revert to the Fund.

The amount available for distribution in any accounting period is calculated by taking the aggregate of the income received or receivable for the account of the Fund in respect of that period, deducting the aggregate of the Manager's and Trustee's remuneration and other payments properly paid or payable out of the income account in respect of that accounting period and adding the Manager's best estimate of any relief from tax on that remuneration and those other payments. The Manager then makes such other adjustments as it considers appropriate (and after consulting the auditors as appropriate) in relation to taxation, income equalisation, income unlikely to be received within 12 months following the relevant income allocation date, income which should not be accounted for on an accrual basis because of lack of information as to how it accrues, transfers between the income and capital account and any other adjustments which the Manager considers appropriate after consulting the auditor.

Accounting Dates

The accounting reference date for the Fund is 31 October in each year and the interim accounting date is 30 April in each year. The income distribution dates are 2 Business Days before both 30 June (interim) and 31 December (annual).

Purchase and Redemption of Units

Investors may apply to the Manager on any Business Day between the hours of 9 am and 5 pm UK time in writing or by telephone to purchase or redeem Units. Units will be purchased or redeemed at the price calculated at the next Valuation Point following receipt of the request for purchase or redemption in accordance with the COLL Sourcebook. In the case of deals instructed after the relevant Valuation Point on a Business Day, Units will normally be purchased where applicable or redeemed at the prices calculated in accordance with the COLL Sourcebook by reference to the next Valuation Point ("Forward Prices").

If applying in writing, investors' cheques should accompany their applications. All purchases of Units will be acknowledged by a contract note giving details of the Units purchased and the price used. The contract note will be issued by the end of the Business Day following the later of

(a) receipt of the application to purchase Units;

or

(b) the Valuation Point by reference to which the purchase price is determined.

Where appropriate (typically where advice has been received from, a qualified financial adviser), a notice of the applicant's right to cancel will also be issued with the contract note.

In the case of telephone applications, payment is due immediately on receipt of the contract note. Cheques should be made payable to BNY Mellon Fund Managers Limited.

Unit certificates are not issued in respect of the Fund. Ownership of Units will be evidenced by an entry on the Fund's Register of Unitholders. Statements in respect of periodic distributions on Units will show the number of Units held by the recipient. Individual statements of a Unitholder's (or, when Units are jointly held, the first named holder's) Units will also be issued at any time on request by the registered Unitholder.

Settlement is due on receipt by the purchaser of the contract note.

The Manager has the right to reject, on reasonable grounds relating to the circumstances of the applicant, any application for Units in whole or part, and in this event the Manager will return any money sent, or the balance of such monies, at the risk of the applicant.

MINIMUM SUBSCRIPTIONS AND HOLDINGS

(a) The minimum initial and subsequent subscription levels are set out in Appendix 1. The Manager may at its discretion accept subscriptions lower than the minimum amount.

(b) If a holding is below the minimum holding, the Manager has the discretion to require redemption of the entire holding.

Every Unitholder has the right to require that the Fund redeem his Units at the next Valuation Point unless the value of Units which a Unitholder wishes to redeem will mean that the Unitholder will hold Units with a value less than the required minimum holding for the Fund, in which case the Unitholder may be required to redeem his entire holding.

On a redemption of Units, instructions to redeem must be made in writing to the Manager and signed by all holders of the Units to which the instructions relate. Alternatively, telephone or fax instructions may be placed with the Manager in which case, a form of renunciation, will need to be signed by all registered Unitholders.

DOCUMENTS THE SELLER WILL RECEIVE

A contract note giving details of the number and price of Units sold will be sent to the selling Unitholder (the first named, in the case of joint Unitholders) together (if sufficient written instructions have not already been given) with a form of renunciation for completion and execution by the Unitholder (and, in the case of a joint holding, by all the joint holders) not later than the end of the Business Day following the later of the request to redeem Units or the Valuation Point by reference to which the redemption price is determined. Cheques in satisfaction of the redemption monies will be issued and/or despatched by post (as applicable) within three Business Days of the later of:

(a) receipt by the Manager of the form of renunciation (or other sufficient written instructions) duly signed by all the relevant Unitholders and completed as to the appropriate number of Units, together with any other appropriate evidence of title;

and

(b) the Valuation Point following receipt by the Manager of the request to redeem.

A Unitholder may redeem a part of his holding but the Manager may refuse to accept such a redemption request or require the entire holding to be sold if by doing so the residual value of the Units remaining in the holding would

be less than the minimum initial investment requirement. The minimum initial investment and subsequent investments are set out in Appendix 1. These limits may be waived at the Manager's discretion.

Where a Unitholder requests a redemption of Units representing not less than 5% of the value of the Scheme Property, that Unitholder may receive in place of payment for the Units in cash, Scheme Property which has either been chosen by the Manager by a notice of election or has been requested by the Unitholder.

In addition the Manager may from time to time make arrangements to allow Units to be bought or sold on line or through other communication media. At present, transfer of title by electronic communication is not accepted.

Suspension of Dealings

The Manager may with the prior agreement of the Trustee, and must without delay if the Trustee so requires at any time, temporarily suspend the issue, cancellation, sale and redemption of Units in the Fund, where due to exceptional circumstances it is in the interests of all Unitholders in the Fund.

The Manager and the Trustee must ensure that the suspension is only allowed to continue for so long as is justified having regard to the interests of Unitholders.

The Manager or the Trustee (as appropriate) will immediately inform the FCA of the suspension and the reasons for it and will follow this up as soon as practicable with written confirmation of the suspension and the reasons for it to the FCA and the regulator in each EEA state where the Fund is offered for sale.

The Manager will notify Unitholders as soon as is practicable after the commencement of the suspension, including details of the exceptional circumstances which have led to the suspension, in a clear, fair and not misleading way and giving Unitholders details of how to find further information about the suspension.

Where such suspension takes place, the Manager will publish details on its website or other general means, sufficient details to keep Unitholders appropriately informed about the suspension, including, if known, its possible duration.

During the suspension none of the obligations in COLL 6.2 (Dealing) will apply but the Manager will comply with as much of COLL 6.3 (Valuation and Pricing) during the period of suspension as is practicable in light of the suspension.

The Manager may agree during the suspension to deal in Units in which case all deals accepted during and outstanding prior to the suspension will be undertaken at a price calculated at the first Valuation Point after the restart of dealings in Units.

Suspension will cease as soon as practicable after the exceptional circumstances leading to the suspension have ceased but the Manager and the Trustee will formally review the suspension at least every 28 days and inform the FCA of the results of this review, and any change to the information given to Unitholders, with a view to ending the suspension as soon as practicable after the exceptional circumstances have ceased. The calculation of the issue and cancellation prices will recommence on the next Valuation Point following such circumstances ceasing to apply.

The cancellation price of the Fund last notified to the Trustee is available on request from the Manager.

Telephone Recordings

Please note that telephone calls may be recorded by the Manager and the Administrator, their delegates, their duly appointed agents and any of their respective related, associated or affiliated companies for record keeping, security and/or training purposes.

Complaints

Should you wish to complain about any aspect of the service you have received, you should, in the first instance contact:

BNY Mellon Fund Managers Limited,
Client Service Centre,
PO Box 366,
Darlington,
DL1 9RF
Telephone: 0800 614 330 (freephone in the UK) or +44 (0)20 3528 4002 (outside the UK)
E-mail: clientservices@bnymellon.com
Website: www.bnymellonim.co.uk

A copy of our complaints handling procedure is available on request. Making a complaint will not prejudice any rights to commence legal proceedings.

If your complaint is not resolved to your satisfaction you have the right to refer your complaint to:

The Financial Ombudsman Service
Exchange Tower
London
E14 9SR
Consumer Helpline: 0845 080 1800
E-mail: complaint.info@financial-ombudsman.org.uk

Class Action Litigation

From time to time the Manager is asked to consider participation in litigation relevant to the Fund. Typically that litigation takes the form of proposed or actual class, group or collective litigation (referred to generally as class actions) where eligible investors are either invited to "opt-in" to litigation or "opt-out" (i.e. to choose not to participate). In respect of opt-out class actions, eligible investors automatically comprise the class and are eligible to participate in any successful judgment or settlement unless they actively elect to opt-out. In respect of opt-in class actions, eligible investors are required to actively opt-in to the class action in order to comprise the class and participate in any successful judgment or settlement. The Manager has delegated responsibility for considering participation in both opt-in and opt-out class action litigation to the Class Actions Committee (the "Committee") pursuant to the terms of a Class Actions Policy (the "Policy"). The Policy provides that the default position in respect of opt-out class actions is that the Fund will not opt-out of such class actions, save in the event that there are considered to be compelling reasons, determined in the Committee's sole discretion, for doing so. That is primarily because participation in opt-out class actions rarely gives rise to any risk or cost to the Fund. As regards opt-in class actions, however, participation in such litigation is rarely cost, risk and obligation free and, in fact, such costs, risks and obligations can be significant. On that basis, the Fund will not opt-in to such class actions save in the event that there are considered to be compelling reasons, determined in the Committee's sole discretion, for doing so. In the event that the Committee determines that there are compelling reasons for opting-out of an opt-out class action, or opting-in to an opt-in class action, it would expect to consult with legal advisors, the Trustee, the Investment Adviser and any other relevant service providers before any action is taken by the Fund. The costs in doing so will ordinarily be for the account of the Fund. In the event that the Fund participates in a class action which is ultimately successful, any financial award received from that action shall be to the benefit of the Fund as a whole, as opposed to any particular type of investor. It is possible, therefore, that those investors who were invested in the Fund at the time that the underlying cause of action in the claim arose, or when the Fund incurred costs relating to participation in the class action, do not ultimately benefit from the award in the class action; for example, if they have redeemed prior to the date of receipt of the award.

Taxation of the Fund

The following section is only intended as a general summary of UK tax law and practice as at the date of issue of this Prospectus (which may change in the future) applicable to individual and corporate Unitholders who are the absolute beneficial owners of a Unitholding in the Fund. In particular, the summary may not apply to certain classes of Unitholder (such as financial institutions). It should not be treated as legal or tax advice and, accordingly, any Unitholder who is in any doubt as to his UK tax position in relation to the Fund should consult his financial adviser.

Please note that the tax treatment of investors depends on their individual circumstances and may be subject to change in future.

INCOME

The Fund will be liable to corporation tax on its taxable income net of management expenses at the same rate as the basic rate of income tax (currently 20%). Dividends from companies are not generally chargeable to corporation tax.

CAPITAL GAINS

Capital gains accruing to the Fund will be exempt from UK tax.

WITHHOLDING TAX

Income derived from investments overseas may be subject to tax in the overseas jurisdiction.

Taxation of the Unitholder

DIVIDEND DISTRIBUTIONS

It is anticipated that all distributions by the Fund will be in the form of dividend distributions and that, accordingly, the Fund will not pay any interest distributions.

UK RESIDENT INDIVIDUAL UNITHOLDERS

Since 6 April 2016 dividends are subject to an annual tax-free allowance of £5,000 for all individual taxpayers. With effect from 6 April 2018, this annual tax free allowance will be reduced to £2,000. Dividend income in excess of this amount will be taxed at tiered rates depending on the unitholder's other taxable income- the applicable tax rate for basic rate taxpayers is 7.5%, the rate for higher rate taxpayers is 32.5% and the rate for additional rate taxpayers is 38.1%..

CORPORATE UNITHOLDERS WITHIN THE SCOPE OF THE CORPORATION TAX

A dividend distribution made by the Fund to a corporate Unitholder which, whether UK resident or not, is within the charge to corporation tax may be split into franked and unfranked parts. Very broadly, the unfranked part corresponds to such part of the Fund's gross income as does not derive from franked investment income. The unfranked part will be treated as an annual payment received after deduction of income tax at the basic rate, and the corporate Unitholder will be liable to corporation tax on it. If the corporate Unitholder is not resident in the UK, the limit in section 1142 of the Corporation Tax Act 2010 on the extent to which its income is chargeable to corporation tax may be applicable.

Capital Gains

An individual Unitholder who is resident in the UK (including, in some cases, a Unitholder who is only temporarily non-UK resident) will be liable to capital gains tax on any chargeable gain accruing to him on the disposal or deemed disposal (including redemption) of his Units in the Fund.

Subject to the possible application of the rules treating a Unitholding in the Fund as a loan relationship, a corporate Unitholder which is within the charge to corporation tax will be liable to corporation tax on any chargeable gain accruing to it on the disposal or deemed disposal (including redemption) of its Units in the Fund. An indexation allowance may be available to reduce or eliminate such a gain but not to create or increase an allowable loss.

A Unitholder who is not resident in the UK will not normally be liable to UK tax on capital gains accruing to him on the disposal of his Units in the Fund, except where the holding is connected with a trade or a profession or vocation carried on by him in the UK through a branch or agency or permanent establishment or he falls within certain anti-avoidance provisions relating to temporary non-UK residence.

Where income equalisation applies, the part of the issue price of Units which reflects accrued income and is returned to the Unitholder with the first allocation of income following the issue may be deducted from the Unitholder's capital gains tax base cost in the Units as explained in the following section.

Equalisation

Where income equalisation applies, the first distribution or accumulation of income after Units are issued may include an amount reflecting accrued income included in the issue price. This amount is a refund of capital and is not subject to tax as income. This amount should be deducted from the cost of Units in computing any capital gain realised on the disposal.

Unitholding in the Fund treated as a loan relationship

Special rules apply to corporate Unitholders within the charge to corporation tax which in certain circumstances could result in their Units being treated for the purposes of the UK's corporate debt rules as a right under a credit relationship of the corporate Unitholder. A basis of accounting would have to be used, for corporation tax purposes, as respects the deemed creditor relationship. It is not anticipated that these provisions will apply.

Stamp Duty Reserve Tax

An SDRT liability will arise if the Fund invests in assets liable to SDRT (e.g. UK shares, calculated at 0.50%). An increasing number of jurisdictions are introducing transfer or financial transaction taxes.

Foreign Account Tax Compliance Act and Other Reporting Obligations

The Hiring Incentives to Restore Employment Act was signed into US law in March 2010. It includes provisions generally known as FATCA and regulations implementing these provisions were issued in January 2013. The intention of these is that details of US investors (which are defined in a similar but not the same way as US Persons) holding assets outside the US will be reported by financial institutions to the US Internal Revenue Service ("IRS"), as a safeguard against US tax evasion. To discourage non-US financial institutions from staying outside this regime, US securities held by any financial institution that does not register with the IRS and comply with the regime will be subject to a US withholding tax of 30% on gross sales proceeds and income. The regime was phased in from 1 July 2014.

The UK has entered into an intergovernmental agreement (the "IGA") with the US. Under the IGA, UK financial institutions are required to report information to HM Revenue & Customs ("HMRC") and HMRC will then forward this information to the IRS. Foreign financial institutions ("FFIs") which are resident in the UK will not be required to enter into an FFI agreement with the IRS or withhold on payments to non-participating FFIs, provided that they comply with the UK's regulations implementing the UK's IGA.

The Fund is registered as a 'Reporting UK Financial Institution', and intends to comply with the IGA. In order to comply with the IGA, the Fund must obtain information in respect of all Unitholders so as to be able to identify accounts held by US investors and report information to HMRC. The UK's IGA requires Unitholders to provide information to the Fund that they may not have previously provided. The Fund, the Manager and/or the Administrator may also request further information or clarification from Unitholders for the above purposes.

FATCA has been subject to changes and there may still be further changes to it. Unitholders who are concerned about FATCA should consult their own tax advisors as to its potential impact on them.

Unitholders should be aware that a number of other jurisdictions are introducing information reporting requirements similar to FATCA, with the result that the Fund may be required to request information from them and provide it to HMRC (or other relevant fiscal authorities).

Common Reporting Standards

The Common Reporting Standard for Automatic Exchange of Financial Information ("CRS") was developed by the Organisation for Economic Co-Operation and Development ("OECD") to counter tax evasion by means of exchange of information. It builds upon the information sharing achieved through the recently repealed EU Savings Directive (2003/48/EC) and draws extensively on the intergovernmental approach used to implement FATCA. The United Kingdom and over 90 other jurisdictions will enter into multilateral arrangements modelled on CRS, which will apply in the United Kingdom with an effective date of 1 January 2016.

The United Kingdom is among a group of countries which have committed to the early adoption of CRS, with the first data exchange to take place in September 2017.

The Fund will be obliged to determine the tax resident status of all existing Unitholders in order to identify which Unitholders are reportable pursuant to CRS. All Unitholders subscribing to the Fund after 1 January, 2016 will be required to certify their tax residency status in the application form.

The Fund will then be required to provide certain information to HMRC about Unitholders resident or established in the jurisdictions which are party to such arrangements. HMRC will then pass this information to the tax authorities of the relevant jurisdiction.

There is no requirement to withhold tax under CRS.

Marketing in another Member State

At the present time there is no intention to market the Fund in another member state of the European Community.

Publication of Prices

The Manager will make available the daily prices of Units on its website at www.bnymellonim.com or by contacting Client Services on 0800 614 330. Prices may also be published in other media as determined by the Manager from time to time.

Anti-Money Laundering

As a result of legislation in force in the United Kingdom to prevent money laundering, the Manager is responsible for compliance with anti-money laundering regulations. In order to implement these procedures, the Manager may need to undertake an electronic identity verification process. In certain circumstances Unitholders may be asked to provide some proof of identity, for example when buying or selling Units. Until satisfactory proof of identity is provided, the Manager reserves the right to refuse to issue Units, pay the proceeds of redemption of Units, or pay income or Units to the investor.

Risk Management

The Manager uses a risk management process, (including a risk management policy in accordance with COLL 6.12) enabling it to monitor and measure at any time the risk of the Fund's positions and their contribution to the overall risk profile of the Fund.

The following details of the risk management process must be regularly notified to the FCA and at least on an annual basis:

(a) a true and fair view of the types of derivatives and forward transactions to be used within the Fund together with the underlying risks and any relevant quantitative limits;

and

(b) the methods for estimating risks in derivative and forward transactions.

The Manager must notify the FCA in advance of any material alteration to these details above.

A statement on the methods used for risk management in connection with the Fund and the quantitative limits used together with the current risk yields of the main categories of investment is available from the Manager on request.#

Risk Factors Table

	Objective/Performance Risk	Performance Aim Risk	Currency Risk	Counterparty Risk	Changes in Interest Rates & Inflation Risk	Charges to Capital Risk	Credit Ratings and Unrated Securities Risk	Credit Risk	CoCo's Risk (Contingent Convertible Bonds)	Derivatives Risk	Emerging Markets Risk	Geographic Concentration Risk	Investment in Asset backed securities Risk	Investment in Fixed Interest Securities Risk	Investment in Higher Yielding companies risk	Investment in Infrastructure Companies Risk	Investment in Mortgage backed securities Risk	Investment in Mainland China Risk	Investment in Smaller Companies Risk	Investment in Sub-Investment Grade Bonds Risk	Investment in High Yield Bonds Risk	IBOR Phase Out Risk	Liquidity Risk	Market Capitalisation Risk	Portfolio concentration Risk	Real Estate Investment Trust (REITs) Risk	Sustainable Funds Risk	Stock Connect Risk	Volcker Rule
Osprey Fund	✓		✓	✓	✓		✓	✓		✓														✓				✓	

Risk Factors

Potential investors should consider the following risk factors before investing in the Fund.

GENERAL

The investments of the Fund are subject to normal market fluctuations and other risks inherent in investing in securities. There can be no assurance that any appreciation in value of investments will occur. The value of investments and the income derived from them may fall as well as rise and investors may not recoup the original amount invested in the Fund. There is no assurance that the investment objective of the Fund will actually be achieved and no warranty or representation is given to this effect. Before you decide to invest, it's important to understand these risks. Some of these risks are general and others are more specific, which means that they apply specifically to this Fund only. If you are unsure, please seek professional advice from a financial adviser.

Investors should remember that unit trusts should be regarded as long-term investments and that the value of Units, and the income from them, can go down as well as up.

Past performance is no guarantee of future performance and a Unitholder may not get back the full amount invested.

The value of overseas securities will be influenced by the rate of exchange which is used to convert these back to sterling.

Levels and bases of, and reliefs from, taxation are those currently applicable and may be subject to change.

EFFECT OF INITIAL CHARGE

Where any initial charge is imposed, an investor who realises his Units after a short period may not (even in the absence of a fall in the value of the relevant

investments) realise the amount originally invested. Therefore, the Units should be viewed as a long term investment.

CAPITAL RISK

If you have purchased Units on the advice of a financial adviser and have not signed a customer agreement with them, you will be entitled, should you wish, to cancel the contract within 14 days of receipt of the contract note. If the value of the investment falls before notice of cancellation is given, a full refund of the original investment may not be provided but rather the original amount less any fall in value. If the value rises before cancellation is given, only the original amount shall be returned.

INFLATION RISK

Inflation will, over time, reduce the value of your investments in real terms.

LIQUIDITY RISK

Liquidity risk exists when particular investments are difficult to purchase or sell. The Fund's investment in illiquid securities may reduce the returns of the Fund because it may be unable to sell the illiquid securities at an advantageous time or price. Investments in foreign securities, derivatives or securities with substantial market and/or credit risk tend to have the greatest exposure to liquidity risk. Illiquid securities may be highly volatile and difficult to value.

MARKET AND PERFORMANCE RISK

The value of units and the income from them is not guaranteed and can fall as well as rise due to stock market and currency movements. Past performance is not a guide to future performance and when you sell your investment you may get back less than you originally invested.

The entire market of a particular asset class or geographical sector may fall, having a more pronounced affect on funds heavily invested in that asset class or region.

TAX

Any impact that tax may have on an investment will depend on your individual circumstances and may change in the future. The UK tax regime for funds may change.

SUSPENSION OF DEALINGS IN UNITS

Investors are reminded that in certain circumstances their right to redeem Units may be suspended.

CURRENCY EXCHANGE RATES

Depending on an investor's currency of reference, currency fluctuations may adversely affect the value of an investment.

EMERGING MARKETS

Where the Fund invests in some overseas markets these investments may carry risks associated with failed or delayed settlement of market transactions and with the registration and custody of securities.

Investment in emerging markets may involve a higher than average risk.

Investors should consider whether or not investment in the Fund is either suitable for, or should constitute a substantial part of, an investor's portfolio.

(a) Companies in emerging markets may not be subject to:

  (i) accounting, auditing and financial reporting standards, practices and disclosure requirements comparable to those applicable to companies in major markets;

  or

  (ii) the same level of government supervision and regulation of stock exchanges as countries with more advanced securities markets.

(b) Accordingly, certain emerging markets may not afford the same level of investor protection as would apply in more developed jurisdictions. Given the lack of a regulatory structure, it is possible that securities in which investments are made may be found to be fraudulent. As a result, it is possible that loss may be suffered.

(c) Restrictions on foreign investment in certain securities may be imposed on the Fund and, as a result, may limit investment opportunities for the Fund. Substantial government involvement in, and influence on, the economy may affect the value of securities in certain emerging markets.

(d) The reliability of trading and settlement systems in some emerging markets may not be equal to that available in more developed markets, which may result in delays in realising investments.

Lack of liquidity and efficiency in certain of the stock markets or foreign exchange markets in certain emerging markets may mean that from time to time the Manager may experience more difficulty in purchasing or selling holdings of securities than it would in a more developed market.

INVESTMENT IN MAINLAND CHINA

The Fund may invest in mainland China to the extent permitted by their investment objective and investment policy. Investments in mainland China may be sensitive to changes in law and regulation together with political, social or economic policy which includes possible government intervention. In extreme circumstances, the Fund may incur losses due to limited investment capabilities, or may not be able to fully implement or pursue its investment objectives or strategy, due to local investment restrictions, illiquidity of the Chinese domestic securities market, and/or delay or disruption in

execution and settlement of trades. Investing in mainland China is subject to the risk of investing in emerging markets and may expose investors to the following risks:

Renminbi currency risk

The renminbi ("RMB") is currently not freely convertible. Although offshore RMB ("CNH") and onshore RMB ("CNY") are the same currency, the value of the CNH may differ, perhaps significantly, from the value of the CNY due to a number of factors including without limitation foreign exchange control policies and repatriation restrictions applied by the Chinese government as well as other external factors and market forces. Any divergence between CNH and CNY may adversely impact investors and, as a result, by investing in mainland China the Fund may bear greater currency risk. It is possible that the availability of CNH (offshore RMB) to meet redemption payments immediately may be reduced and such payments may be delayed. Investors in a share classes denominated in RMB will be exposed to the CNH (offshore RMB) market. Any depreciation of RMB could adversely affect the value of an investor's investment in the Fund.

The CNH (offshore RMB) denominated bond market is a developing market that is still relatively small and more susceptible to volatility and illiquidity. It is subject to regulatory restrictions imposed by the Chinese government, which are subject to change. In extreme circumstances, by investing in CNH (offshore RMB) denominated bonds the Fund may incur losses due to limited investment capabilities, or may not be able to fully implement or pursue its investment objectives or strategy.

Risks associated with the Stock Connect

Investments in China A-Shares through the Shanghai-Hong Kong Stock Connect and/or the Shenzhen-Hong Kong Stock Connect (together, the "Stock Connect") are subject to any applicable regulatory limits. The Stock Connect is a securities trading and clearing linked programme developed with an aim to achieve

mutual stock market access between mainland China and Hong Kong. This programme allows foreign investors to trade certain China A-Shares listed on the Shanghai Stock Exchange and/or the Shenzhen Stock Exchange, through their Hong Kong based brokers. The relevant rules and regulations on the Stock Connect are subject to change which may have potential retrospective effect. The Stock Connect is subject to quota limitations. Where a suspension in the trading through the programme is effected, theFund's ability to invest in China A-shares or access the market in mainland China through the programme will be adversely affected. In such event, the Fund's ability to achieve its investment objective could be negatively affected.

Tax within China risk

There are risks and uncertainties associated with the current Chinese tax laws, regulations and practice. The interpretation and applicability of existing Chinese tax laws may not be as consistent and transparent as those of more developed nations, and may vary from region to region. There is a possibility that the current tax laws, regulations, and practice in China may be changed with retrospective effect in the future. Any increased tax liabilities on the Fund as a result of such changes may adversely affect the Fund's value. Additionally, any provision for taxation made by the Manager may be excessive or inadequate to meet final tax liabilities on gains derived from the disposal of securities in mainland China. Depending on the timing of their subscriptions and/or redemptions, investors may be disadvantaged as a result of any shortfall of tax provision and will not have the right to claim any part of the overprovision (as the case may be).

China credit rating risk

The credit appraisal system in mainland China and the rating methodologies used by local Chinese credit rating agencies may be different from those employed in other markets. Credit ratings given by these agencies may therefore not be directly comparable with those given by other international rating agencies.

IBOR PHASE OUT RISK

Many financial instruments use or may use a floating rate based on the interbank offered rates (IBORs), especially the London Interbank Offered Rate (LIBOR), which is the offered rate for short-term Eurodollar deposits between major international banks. On July 27, 2017, the head of the United Kingdom's Financial Conduct Authority announced a desire to phase out the use of LIBOR by the end of 2021. Many other countries are also planning to phase out the use of IBORs within the same time period. There remains uncertainty regarding the future utilisation of IBORs and the nature of any replacement rate. As such, the potential effect of a transition away from IBORs on a Sub-Fund or the financial instruments in which a Sub-Fund invests cannot yet be determined. The transition process might lead to increased volatility and illiquidity in markets that currently rely on IBORs to determine interest rates. It could also lead to a reduction in the value of some IBOR-based investments and reduce the effectiveness of new hedges placed against existing IBOR-based instruments. Since the usefulness of IBORs as benchmarks could deteriorate during the transition period, these effects could occur prior to the end of 2021. The transition process may also require changes to be made to a Sub-Fund's benchmark and/or benchmarks against which Performance Fees are calculated (where applicable).

FIXED INTEREST SECURITY

Fixed interest securities are particularly affected by trends in interest rates and inflation. If interest rates go up, the capital value may fall, and vice versa. Inflation will also decrease the real capital value. Unlike the income from a single fixed interest security, the level of income (yield) from the Fund is not fixed and may go up and down. If the income yield of fixed interest securities held within the Fund is higher than the redemption yield, then there is the possibility that the capital value of that security will be eroded. The value of a fixed interest security will fall in the event of the default or reduced credit rating of the issuer. Generally, the higher the rate of interest, the higher the perceived credit risk of the issuer.

CREDIT

The value of fixed income and debt securities depends, in part, on the perceived ability of the government or company that issued the securities to pay the interest and to repay the original investment. Securities issued by those governments or companies that have low credit ratings, such as sub-investment grade bonds or junk bonds, are considered to have a higher credit risk than securities issued by those that have higher credit ratings. A sub-investment grade bond has a Standard & Poor's credit rating of below BBB or equivalent.

INVESTMENT IN SMALLER COMPANIES

Smaller companies' securities may be less liquid than the securities of larger companies as a result of inadequate trading volume or restrictions on trading. Smaller companies may possess greater potential for growth, but can also involve greater risks, such as limited product lines and markets, and financial or managerial resources. Trading in such securities may be subject to more abrupt price movements and greater fluctuations in available liquidity than trading in the securities of larger companies.

CONCENTRATION

The risk of concentration may arise when the Fund is predominantly invested in a single country and/or geographic area, or has limited industry diversification. Concentration risk can also occur when the Fund is invested in a limited number of securities.

DERIVATIVES

The Fund may use derivatives for investment purposes in pursuit of its investment objectives as well as for EPM. The use of derivatives (including, without limitation, total return swaps or financial derivative instruments with the same characteristics) may expose the Fund to a high degree of risk. An investment in derivatives may create gearing and so may result in greater fluctuations in the Net Asset Value of the Fund. Gearing includes obtaining exposure to an investment without the need to buy the investment itself (and at a cost to the Fund which is less than the price of buying the underlying investment). Gearing may increase the opportunity for gains but may magnify the effect of losses. As a result, losses may exceed the value of the Fund's investment in derivatives. The Investment Adviser seeks to ensure that the use of derivatives does not materially alter the risk profile of the Fund. The effect of the derivative strategies employed could be to amplify or dampen market movements, or to cause the Net Asset Value of the Fund to move in an opposite direction to that of the market. The Fund's ability to use derivatives may be limited by market conditions, regulatory limits and tax considerations. Any income or capital generated by the use of derivatives for investment purposes as well as for EPM purposes will be paid to the Fund. Please refer to Appendix 2 for further details about the use of derivatives including for EPM purposes.

Where the Fund makes use of derivatives for EPM, these techniques aim to reduce risk and/or costs in the Fund, or to produce additional capital or income in the Fund. It is not intended that using derivatives for EPM will increase the volatility or alter the overall risk profile of the Fund. In adverse situations, however, the Fund's use of derivatives for EPM may become ineffective and the Fund may suffer significant loss as a result.

Use of one or more separate counterparties will be made to undertake derivative transactions on behalf of the Fund and the Fund may be required to pledge or transfer collateral paid from within the assets of the Fund to secure such contracts. There may be a risk that counterparty will wholly or partially fail to honour their contractual arrangements under the arrangement with regards to the return of collateral and any other payments due to the Fund. The Manager or the Investment Adviser measures the creditworthiness of counterparties as part of the risk management process. A counterparty may be an associate of the Manager or an Investment Adviser which may give rise to a conflict of interest.

REPURCHASE AND REVERSE REPURCHASE TRANSACTIONS RISK

If the counterparty to a repurchase agreement fails to fulfil its commitment to repurchase the security in accordance with the terms of the agreement, the Fund may incur a loss to the extent that the proceeds realised on the sale of the securities are less than the repurchase price.

Reverse repurchase agreements involve the risk that the market value of the securities sold by the Fund may decline below the prices at which the Fund is obliged to repurchase such securities under the agreement.

STOCK LENDING ARRANGEMENTS RISK

As with any lending, there are risks of delay and recovery. Should the borrower of securities fail financially or default in any of its obligations under any stock lending transaction, the collateral provided in connection with such transaction will be called upon. The value of the collateral will be maintained to equal or exceed the value of the securities transferred. However, there is a risk that the value of the collateral may fall below the value of the securities transferred.

CONTRACTS FOR DIFFERENCE AND EQUITY SWAPS

The Fund may invest in contracts for difference (CFDs) and total return equity swaps (equity swaps). The risks inherent in CFDs and equity swaps are dependent on the position that the Fund may take in the transaction: by utilising CFDs and equity swaps, the Fund may put itself in a "long" position on the underlying value, in which case the Fund will profit from any increase in the underlying stock, and suffer from any fall. The risks inherent in a "long" position are identical to the risks inherent in the purchase of the underlying stock. Conversely, the Fund may put itself in a "short" position on the underlying stock, in which case the Fund will profit from any decrease in the underlying stock, and suffer from any increase. The risks inherent in a "short" position are greater than those of a "long" position: while there is a ceiling to a maximum loss in a "long" position if the

underlying stock is valued at zero, the maximum loss of a "short" position is that of the increase in the underlying stock, an increase that, in theory, is unlimited.

It should be noted that a "long" or "short" CFD or equity swap position is based on the Investment Adviser's opinion of the future direction of the underlying security. The position could have a negative impact on the Trust's performance. However, there is an additional risk related to the counterparty when CFDs and equity swaps are utilised: the Fund runs the risk that the counterparty will not be in a position to make a payment to which it has committed. The Investment Adviser will ensure that the counterparties involved in this type of transaction are carefully selected and that the counterparty risk is limited and strictly controlled.

TAXATION

The attention of investors is drawn to sections " Class Action Litigation" to "Stamp Duty Reserve Tax" from page 26 to page 28 of the Prospectus and in particular the taxation liability arising on the occurrence of certain events such as the disposal of Units or payment of dividend distributions to Unitholders who are UK resident. In addition, investors should be aware that income or dividends received or profits realised may lead to additional taxation in their country of citizenship, residence, domicile and/or incorporation. Investors should consult their financial or other professional advisers on the possible tax or other consequences of acquiring, holding, transferring, disposing or otherwise dealing in the Units under the laws of their countries of citizenship, residence and domicile.

VOLCKER RULE

U.S. regulators have adopted the "Volcker Rule" which imposes a number of restrictions on financial organizations like The Bank of New York Mellon Corporation and its affiliates ("BNY Mellon"), but also provides various exemptions.

The Volcker Rule excludes "foreign public funds", such as the Fund, that meet certain criteria, including, in the case of the Fund, that ownership interests in the Fund be sold predominantly to persons other than BNY Mellon and its directors and employees (the regulators expect at least 85% of the Fund to be held by non-U.S. persons who are neither affiliated with, nor directors or employees of, BNY Mellon). Therefore, to the extent BNY Mellon directors and employees invest in the Fund and/or BNY Mellon provides seed capital to the Fund, BNY Mellon will be required to take steps to raise enough fund assets through investments by third parties and/or reduce its seed capital investments so that investments by BNY Mellon, its directors and employees will constitute less than 15% of the Fund on or about 21 July, 2017.

If directors and employees of BNY Mellon redeem their ownership interest in the Fund and/or BNY Mellon is required to divest some or all of its seed capital investments, it will involve sales of portfolio holdings to raise cash. Such sales entail the following risks: BNY Mellon, its directors and employees may initially own a larger percentage of the Fund, and any reductions of such holdings may increase the Fund portfolio turnover rates with corresponding increased brokerage and transfer costs and expenses and tax consequences. Details of any seed investment by BNY Mellon in the Fund are available upon request.

CYBER SECURITY RISK

The Fund, the Manager and their service providers (including the Investment Adviser, the Administrator, the Trustee and its distributors) ("Affected Persons") may be susceptible to operational and information security and related risks of cyber security incidents. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber security attacks include, but are not limited to, gaining unauthorised access to digital systems (e.g., through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data or causing operational disruption. Cyber attacks also may be carried out in a manner that does not require gaining unauthorised access, such as causing denial-of-service attacks on websites (i.e., efforts to make services unavailable to intended users). Cyber security incidents affecting the Affected Persons have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, including by interference with a fund's ability to calculate its NAV; impediments to trading for the Fund's portfolio; the inability of Unitholders to transact business with the Fund; violations of applicable privacy, data security or other laws; regulatory fines and penalties; reputational damage; reimbursement or other compensation or remediation costs; legal fees; or additional compliance costs. Similar adverse consequences could result from cyber security incidents affecting issuers of securities in which the Fund invests, counterparties with which the Fund engages in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions and other parties. While information risk management systems and business continuity plans have been developed which are designed to reduce the risks associated with cyber security, there are inherent limitations in any cyber security risk management systems or business continuity plans, including the possibility that certain risks have not been identified.

Liabilities of the Fund

Unitholders are not liable for the debts of the Fund. A Unitholder is not liable to make any further payment to the Fund after he has paid the purchase price of the Units.

General Information

DOCUMENTS OF THE FUND

The Trust Deed, the Prospectus, and the most recent annual and half-yearly long reports in respect of the Fund may be inspected free of charge during normal office hours every Business Day at the registered office of the Manager at BNY Mellon Centre 160 Queen Victoria Street, London EC4V 4LA. Copies of these documents may also be obtained by writing to the Manager at its registered office. The Manager may make a charge at its discretion for copies of these documents (except that the most recent versions of the Prospectus and the annual and half yearly long reports of the Fund will be available free of charge).

ANNUAL REPORTS AND SEMI-ANNUAL REPORTS

The annual report of the Fund will be published within four months of each annual accounting period and the half-yearly report will be published within two months of each interim accounting period and both will be available to Unitholders on request. Unitholders will receive copies of the annual and half-yearly short report on publication.

CONFLICTS OF INTEREST

The Manager, the Investment Adviser and other companies within the Manager's and/or the Investment Adviser's group may, from time to time, act as investment manager or advisers to other funds which follow similar investment objectives to those of the Fund. On occasion the Investment Advisor may also act as investment advisor or discretionary investment adviser to clients who invest in the Fund such that a significant proportion of a Fund's Units in issue may be owned by advisory and/or discretionary management client(s) of the investment adviser. It is therefore possible that the Manager and/or the Investment Adviser may in the course of their business have potential conflicts of interest with the Fund or that a conflict exists between the Fund and other funds managed or advised by the Manager or Investment Adviser respectively. Each of the Manager and the Investment Adviser will, however, have regard in such event to its obligations under the Trust Deed and the Investment Management Agreement respectively and, in particular, to its obligation to act in the best interests of the Fund so far as practicable, having regard to its obligations to other clients, when undertaking any investment business where potential conflicts of interest may arise. Where a conflict of interest cannot be avoided, the Manager and the Investment Adviser will ensure that the Fund and other collective investment schemes it manages are fairly treated.

The Manager acknowledges that there may be some situations where the organisational or administrative arrangements in place for the management of conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of the Fund or its Unitholders will be prevented. Should any such situations arise the Manager will as a last resort disclose these to Unitholders in the report and accounts or such other appropriate format. Further details of the Manager's conflicts of interest policy are available on request.

STRATEGY FOR THE EXERCISE OF VOTING RIGHTS

The Manager has a strategy for determining when and how voting rights attached to ownership of Scheme Property are to be exercised for the benefit of the Fund. A summary of this strategy is available from the Manager on written request. Further details of the actions taken on the basis of this strategy for the Fund are also available from the Manager on written request.

BEST EXECUTION

The Manager's best execution policy sets out the basis upon which the Manager will effect transactions and place orders for the Fund while complying with its obligations under the Regulations to obtain the best possible result for the Fund.

The Manager has delegated the investment management of the Fund to the Investment Adviser, who in turn executes decisions to deal on behalf of the Fund. The Investment Adviser has established and implemented an order execution policy to allow it to obtain the best possible results for the Fund.

Details of the best execution policy are available from the Manager on written request.

DEALING ARRANGEMENTS AND INDUCEMENTS

When executing orders, or placing orders with other entities for execution, that relate to financial instruments for, or on behalf of, the Fund, the Investment Adviser will not accept and retain any fees, commissions or monetary benefits; or accept any non-monetary benefits, where these are paid or provided by any third party or a person acting on behalf of a third party. The Investment Adviser will return to the Fund as soon as reasonably possible after receipt any fees, commissions or any monetary benefits paid or provided by any third party or a person acting on behalf of a third party in relation to the services provided to the Fund, and disclose in the annual report the fees, commissions or any monetary benefits transferred to them. However, the Investment Adviser may accept without disclosure minor non-monetary benefits that are capable of enhancing the quality of service provided to the Fund; and of a scale and nature such that they could not be judged to impair the Investment Adviser's compliance with its duty to act honestly, fairly and professionally in the best interests of the Fund.

The Investment Adviser is prohibited under applicable laws and regulations regarding inducements to receive material non-monetary benefits from third parties in connection with the provision of investment management services to the Manager for the Fund. Such non-monetary benefits include the receipt of third party research by the Investment Adviser unless such research is considered a

minor non-monetary benefit. Accordingly, the Investment Adviser has elected to pay for third party research directly itself.

FINANCIAL INTERMEDIARY COMMISSION

For investors in the Fund that purchase Units through a broker or other financial intermediary, please note that the Manager, the Investment Adviser and/or their respective related companies may pay such intermediary initial and renewal commission for the sale of the Units and related services at their discretion. These charges are paid by the Manager, Investment Adviser or their respective related companies out of their own charges and do not result in any additional charges to the Fund. These payments may create a conflict of interest by influencing such broker or intermediary to recommend the Fund over another investment.

Any such payment of commission to brokers or other financial intermediaries is subject in all cases to applicable laws and regulations regarding the acceptance of commission from product providers to counterparties. In particular, and in accordance with FCA Rules, initial or renewal commission is not permitted to be accepted by authorised intermediaries or to third party distributors or agents in respect of any subscriptions for, or holdings of, Units for any UK retail investors in respect of investments made as a result of the investor having received financial advice or portfolio management services.

INDUCEMENTS

The Manager will make such disclosures to the Trustee regarding inducements as are required under the Regulations.

LATE TRADING AND MARKET TIMING

"Late Trading" is defined as the acceptance of a subscription, redemption or switch order received after the applicable Valuation Point. Late Trading is not permitted. As such, orders will not be accepted using the price established at the Valuation Point for orders received after the Valuation Point.

Late Trading will not include a situation in which the Manager is satisfied that orders which are received after the Valuation Point have been made by investors before then (e.g. where the transmission of an order has been delayed for technical reasons).

In general, "market timing" refers to the investment behaviour of a person or group of persons buying, selling or switching Units on the basis of predetermined market indicators. Market timing may also be characterised by transactions that seem to follow a timing pattern or by frequent or large transactions in Units. The Manager does not knowingly allow investments which are associated with market timing activities, as these may adversely affect the interests of all Unitholders and will take active measures to frustrate such practices where it has reasonable grounds to suspect these strategies are being or may be attempted.

DATA PROTECTION

Unitholders and prospective investors should note that by completing and returning an application form they are providing information to the Fund and its Manager which may constitute personal data within the meaning of data protection laws. A summary of how the Manager, as the authorised fund manager of the Fund, will use, share and transfer investor personal data is included in a privacy notice set out in the application form. Further detailed information about how investor personal information is collected, used and shared, the lawful basis on which such information is used and an investor's associated legal rights is provided in The Bank of New York Mellon EMEA Privacy Statement, which has been issued by The Bank of New York Mellon Corporation in respect of its affiliates, including the Manager. The Privacy Statement is accessible at the 'Privacy' link on the BNY Mellon Investment Management website (www.bnymellonim.com).Notices

Where it is necessary or appropriate to contact Unitholders generally, for example to serve any notice or document on them or to inform them of a Unitholders' meeting, such notice, or documentation shall be served by post to the address of such Unitholder as evidenced on the Register of Unitholders. All documents and remittances are sent at the risk of the Unitholder.

PAST PERFORMANCE DETAILS

Details of past performance of the Fund are contained in Appendix 5.

GENUINE DIVERSITY OF OWNERSHIP

Units in the Fund are and will continue to be widely available. The intended categories of investors are institutional, professional and private investors.

Units in the Fund are and will continue to be marketed and made available sufficiently widely to reach the intended categories of investors, and in a manner appropriate to attract them.

Summary of Appendices

A summary of the Fund, including available Unit classes, charges, minimum investment levels and distribution dates, is set out in Appendix 1.

A detailed statement of the investment and borrowing restrictions applicable to the Fund is set out in Appendix 2.

The eligible securities and derivatives markets on which the Fund may invest are contained in Appendix 3 and Appendix 4 respectively.

Appendix 5 contains the past performance details for the Fund.

Appendix 6 contains a directory of relevant service providers to the Fund.

Investment of the assets of the Fund must comply with the COLL Sourcebook and its own investment objective and policy.

The Fund is a UCITS scheme.

Appendix 1

FUND DETAILS

Osprey Fund

Classes of Units	Income Units Institutional Units W (Income) Institutional Units W (Accumulation)
Currency of denomination	UK sterling
Minimum initial investment	Income Units - £1,000 Institutional Units W (Income) - £10,000,000 Institutional Units W (Accumulation)- £10,000,000
Minimum subsequent investment	Income Units - £250 Institutional Units W (Income) - As Agreed Institutional Units W (Accumulation) - As Agreed
Minimum withdrawal	None, provided minimum holding remains
Minimum holding	Income Units - £1,000 Institutional Units W (Income) - As Agreed Institutional Units W (Accumulation) - As Agreed
Manager's initial charge	Income Units - 0% Institutional Units W (Income) – 0% Institutional Units W (Accumulation) – 0%
Annual management charge	Income Units - 1% per annum Institutional Units W (Income) – 0.75% per annum Institutional Units W (Accumulation) – 0.75% per annum
Regular Savings Plan Available	Yes (Income Units only).
Regular Savings Plan Minimum Monthly Investment	£50 (Income Units only)
Annual accounting date	31 October
Interim accounting date	30 April
Income allocation dates	Two (2) Business Days before 30 June and 31 December
Securities Financing Transactions Regulation disclosure	The maximum exposure of the Fund in respect of TRS shall be 100% and in respect of the Net Asset Value of the Trust. However, the Investment Adviser does not anticipate that the Fund's exposure in respect of TRS will exceed 30% of the Net Asset Value of the Fund. As at the date of this Prospectus the Fund does not use SFTs. However, the Investment Manager reserves the right to permit the Fund to enter into such arrangements in the future. Additional detail on the SFTR and the use of SFTs and TRS is given in the Prospectus at Appendix II under the section headed "Investment and Financial Techniques" and in the "Risk Factors".
Invest in any regulated market or a market in an EEA state which is regulated, operates regularly and is open to the public	Yes
Invest in Additional Eligible Markets in Appendix 3	All markets listed
Invest in Additional Eligible Derivatives Markets in Appendix 4	All markets listed
Measurement of Global Exposure:	Commitment Approach (Please see part 11.7 of Appendix II for further details).
Launch Date (when the Fund became authorised)	27/12/2000

Appendix 2

INVESTMENT AND BORROWING POWERS OF THE FUND

1. General rules of investment

1.1 The Scheme Property will be invested with the aim of achieving the investment objective of the Fund but subject to the limits on investment set out in the COLL Sourcebook and the Fund's investment policy. The following limits apply to the Fund.

1.2 Prudent spread of risk

The Manager must ensure that, taking account of the investment objectives and policy of the Fund, the Scheme Property aims to provide a prudent spread of risk.

1.3 Cover

1.3.1 Where the COLL Sourcebook allows a transaction to be entered into or an investment to be retained only (for example, investment in warrants and nil and partly paid securities and the general power to accept or underwrite) if possible obligations arising out of the investment transactions or out of the retention would not cause any breach of any limits in the COLL Sourcebook, it must be assumed that the maximum possible liability of the Fund under any other of those rules has also to be provided for.

1.3.2 Where a rule in the COLL Sourcebook permits an investment transaction to be entered into or an investment to be retained only if that investment transaction, or the retention, or other similar transactions, are covered:

1.3.2.1 it must be assumed that in applying any of those rules, the Fund must also simultaneously satisfy any other obligation relating to cover;

and

1.3.2.2 no element of cover must be used more than once.

1.4 Transferable securities

1.4.1 A transferable security is an investment which is any of the following:

1.4.1.1 a share;

1.4.1.2 a debenture;

1.4.1.3 an alternative debenture;

1.4.1.4 a government and public security;

1.4.1.5 a warrant;

or

1.4.1.6 a certificate representing certain securities.

1.4.2 An investment is not a transferable security if the title to it cannot be transferred, or can be transferred only with the consent of a third party.

1.4.3 In applying paragraph 1.4.2 to an investment which is issued by a body corporate, and which is a share or a debenture, the need for any consent on the part of the body corporate or any members or debenture holders of it may be ignored.

1.4.4 An investment is not a transferable security unless the liability of the holder of it to contribute to the debts of the issuer is limited to any amount for the time being unpaid by the holder of it in respect of the investment.

2. UCITS schemes – General

2.1 The Scheme Property must, except where otherwise provided in Chapter 5 of the COLL Sourcebook, only consist of any or all of:

2.1.1 transferable securities (except, currently, alternative debentures);

2.1.2 permitted approved money market instruments;

2.1.3 permitted derivatives and forward transactions;

2.1.4 permitted deposits;

and

2.1.5 permitted units in collective investment schemes.

2.2 Transferable securities and approved money market instruments held within the Fund must:

2.2.1 be admitted to or dealt in on an eligible market as set out in 3.3 or 3.4 (see Appendix 3);

or

2.2.2 for an approved money-market instrument not admitted to or dealt in on an eligible market, be one such that the issue or issuer is regulated for the purposes of protecting investors and savings and the instrument is issued or guaranteed in accordance with 8;

or

2.2.3 be recently issued transferable securities provided that:

2.2.3.1 the terms of issue include an undertaking that application will be made to be admitted to an eligible market;

and

2.2.3.2 such admission is secured within a year of issue.

2.3 However, no more than 10% of the Fund's property may be invested in transferable securities and approved money market instruments other than those referred to in paragraph 2.2 above.

3. Eligible markets regime: purpose

3.1 To protect investors the markets on which investments of the Fund are dealt in or traded should be of an adequate quality ("eligible") at the time of acquisition of the investment and until it is sold.

3.2 Where a market ceases to be eligible, investments on that market cease to be approved securities within 2.2 above. The 10% restriction on investing in non approved securities applies and exceeding this limit because a market ceases to be eligible will generally be regarded as an inadvertent breach.

3.3 A market is eligible for the purposes of the COLL Sourcebook if it is:

3.3.1 a regulated market as defined in the COLL Sourcebook;

or

3.3.2 a market in an EEA State which is regulated, operates regularly and is open to the public.

3.4 A market not falling within paragraph 3.3.1 and 3.3.2 is also eligible for the purposes of Chapter 5 of the COLL Sourcebook if:

3.4.1 the Manager, after consultation and notification with the Trustee, decides that market is appropriate for investment of, or dealing in, the Scheme Property;

3.4.2 the market is included in a list in the prospectus;

and

3.4.3 the Trustee has taken reasonable care to determine that:

3.4.3.1 adequate custody arrangements can be provided for the investment dealt in on that market;

and

3.4.3.2 all reasonable steps have been taken by the Manager in deciding whether that market is eligible.

3.5 In paragraph 3.4.1, a market must not be considered appropriate unless it is regulated, operates regularly, is recognised as a market or exchange or as a self regulating organisation by an overseas regulator, is open to the public, is adequately liquid and has adequate arrangements for unimpeded transmission of income and capital to or for the order of investors.

4. Spread: general

4.1 This rule on spread does not apply to government and public securities.

4.2 For the purposes of this requirement companies included in the same group for the purposes of consolidated accounts as defined in accordance with Directive 83/349/EEC or in the same group in accordance with international accounting standards are regarded as a single body.

4.3 Not more than 20% in value of the Scheme Property is to consist of deposits with a single body.

4.4 Not more than 5% in value of the Scheme Property is to consist of transferable securities or approved money market instruments issued by any single body.

4.5 The limit of 5% in paragraph 4.4 is raised to 10% in respect of up to 40% in value of the Scheme Property.

4.6 In applying paragraphs 4.4 and 4.5 certificates representing certain securities are treated as equivalent to the underlying security.

4.7 The exposure to any one counterparty in an OTC derivative transaction must not exceed 5% in value of the Scheme Property. This limit is raised to 10% where the counterparty is an Approved Bank.

4.8 Not more than 20% in value of the Scheme Property is to consist of transferable securities and approved money market instruments issued by the same group (as referred to in paragraph 4.2).

4.9 Not more than 10% in value of the Fund is to consist of the units of any one collective investment scheme.

4.10 In applying the limits in paragraphs 4.3 to 4.7, not more than 20% in value of the Scheme Property is to consist of any combination of two or more of the following:

4.10.1 transferable securities or approved money market instruments issued by;

or

4.10.2 deposits made with;

or

4.10.3 exposures from OTC derivatives transactions made with;

a single body.

5. Counterparty Risk and Issuer concentration

5.1 The counterparty risk arising from an OTC derivative transaction is subject to the limits set out in paragraph 4.7 and paragraph 4.10.

5.2 When calculating the exposure to a counterparty in accordance with the limits in paragraph 4.7 the Manager must use the positive mark-to-market value of the OTC derivative contract with that counterparty.

5.3 The Manager may net the OTC derivative positions with the same Counterparty, provided:

5.3.1 it is able legally to enforce netting agreements with the counterparty on behalf of the Fund; and

5.3.2 the netting agreements in paragraph 5.3.1 do not apply to any other exposures the Fund may have with that same counterparty.

5.4 The Manager may reduce the exposure of the Scheme Property to a counterparty to an OTC derivative transaction through the receipt of collateral. Collateral received must be sufficiently liquid so that it can be sold quickly at a price that is close to its pre-sale valuation.

5.5 The Manager must take collateral into account in calculating exposure to counterparty risk in accordance with the limits in paragraph 4.7 when it passes collateral to the counterparty to an OTC derivative transaction on behalf of the Fund.

5.6 Collateral passed in accordance with paragraph 5.4 may be taken into account on a net basis only if the Manager is able legally to enforce netting arrangements with this counterparty on behalf of the Fund.

5.7 The Manager must calculate the issuer concentration limits referred to in paragraph 4.10 on the basis of the underlying exposure created through the use of OTC derivatives in accordance with the commitment approach.

5.8 In relation to exposures arising from OTC derivative transactions, as referred to in paragraph 4.10 the Manager must include in the calculation any counterparty risk relating to the OTC derivative transactions.

6. Spread: government and public securities

6.1 The following section applies to government and public securities ("such securities").

6.2 Where no more than 35% in value of the Scheme Property is invested in such securities issued by any one body, there is no limit on the amount which may be invested in such securities or in any one issue.

6.3 The Fund may invest more than 35% in value of the Scheme Property in such securities issued by any one body provided that:

6.3.1 the Manager has before any such investment is made consulted with the Trustee and as a result considers that the issuer of such securities is one which is appropriate in accordance with the investment objectives of the Fund;

6.3.2 no more than 30% in value of the Scheme Property consists of such securities of any one issue;

6.3.3 the Scheme Property includes such securities issued by that or another issuer, of at least six different issues;

6.3.4 the disclosures required by the COLL Sourcebook have been made.

6.4 The Fund may invest over 35% in the value of the Scheme Property in such securities issued by or on behalf of or guaranteed by the Government of the United Kingdom, (including the Scottish Administration, the Executive Committee of the Northern Ireland Assembly, the National Assembly of Wales) Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Japan, Liechtenstein, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland and United States (including Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation (FHLMC), Government National Mortgage Association (GNMA), Private Export Funding Corporation (PEFCO)) or by one of the following international organisations: African Development Bank, Asian Development Bank, Council of Europe Development Bank, Deutsche Ausgleichsbank (DTA), Eurofima, European Bank for Reconstruction and Development (EBRD), European Investment Bank (EIB), Inter-American Development Bank (IADB), International Bank for Reconstruction & Development (IBRD), International Finance Corporation (IFC), Kreditanstalt fur Wiederaufbau (KFW) and the Nordic Investment Bank (NIB).

6.5 In relation to such securities:

6.5.1 issue, issued and issuer include guarantee, guaranteed and guarantor; and

6.5.2 an issue differs from another if there is a difference as to repayment date, rate of interest, guarantor or other material terms of the issue.

7. Investment in collective investment schemes

The Fund may invest in units in a collective investment scheme (a "second scheme") provided the second scheme satisfies all of the following conditions, and provided that no more than 10% of the value of the Fund is invested in second schemes within paragraphs 7.1.2 to 7.1.5:

7.1 the second scheme must:

7.1.1 satisfy the conditions necessary for it to enjoy the rights conferred by the UCITS Directive;

or

7.1.2 be recognised under the provisions of section 272 of the Act that is authorised by the supervisory authorities of Guernsey, Jersey or the Isle of Man (provided the requirements of Article 50 (1) (e) of the UCITS Directive are met);

or

7.1.3 be authorised as a non-UCITS retail scheme (provided the requirements of Article 50(1)(e) of the UCITS Directive are met);

or

7.1.4 be authorised in another EEA state (provided the requirements of Article 50(1) (e) of the UCITS Directive are met);

or

7.1.5 be authorised by competent authority of an OECD member country (other than another EEA State) which has:

7.1.5.1 signed the IOSCO Multilateral Memorandum of Understanding; and

7.1.5.2 approved the fund's management company, rules and depositary/ custody arrangements (provided the requirements of Article 50(1)(e) of the UCITS Directive are met).

7.2 The second scheme must where relevant comply with COLL 5.2.15R of the COLL Sourcebook (Investment in associated collective investment schemes), as set out in paragraph 7.4 below;

7.3 The second scheme must have terms which prohibit more than 10% in value of the Scheme Property consisting of units in collective investment schemes.

7.4 Units in a collective investment scheme do not fall within this paragraph 7 if that collective investment scheme is managed or operated by (or, if it is an OEIC, has as its authorised corporate director) the Manager of the Fund or an associate of the Manager, unless:

7.4.1 the prospectus of the investing authorised fund clearly states that the property of that investing fund may include such units;

and

7.4.2 the rules in COLL 5.2.16R of the COLL Sourcebook (investment in other group schemes) are complied with.

7.5 The Fund may invest in or dispose of units in another collective investment scheme (the second scheme), which is managed or operated by (or in the case of an OEIC, whose authorised corporate director is), the Manager, or an associate of the Manager, provided the Manager of the Fund is under a duty to pay to the Fund by the close of business on the fourth Business Day next after the agreement to buy or to sell any amount referred to in paragraphs 7.5.1 and 7.5.2;

7.5.1 on investment, either:

7.5.1.1 any amount by which the consideration paid by the Fund for the units in the second scheme exceeds the price that would have been paid for the benefit of the second scheme had the units been newly issued or sold by it;

or

7.5.1.2 if such price cannot be ascertained by the Trustee, the maximum amount of any charge permitted to be made by the seller of units in the second scheme;

7.5.2 on disposal, the amount of any charge made for the account of the authorised fund manager or operator of the second scheme or an associate of any of them in respect of the disposal;

and

7.6 in paragraph 7.5 above:

7.6.1 any addition to or deduction from the consideration paid on the acquisition or disposal of units in the second scheme, which is applied for the benefit of the second scheme and is, or is like, a dilution levy, is to be treated as part of the price of the units and not as part of any charge;

and

7.6.2 any switching charge made in respect of an exchange of units in one sub-fund or separate part of the second scheme for units in another sub-fund or separate part of that scheme is to be included as part of the consideration paid for the units.

8. Investment in nil and partly paid securities

A transferable security or approved money market instrument on which any sum is unpaid falls within a power of investment only if it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by the Fund, at the time when payment is required, without contravening the rules in Chapter 5 of the COLL Sourcebook.

9. Investment in approved money market instruments

9.1 An approved money-market instrument is a money-market instrument which is normally dealt in on the money market, is liquid and has a value which can be accurately determined at any time.

9.2 A money-market instrument shall be regarded as normally dealt in on the money market if it:

9.2.1 has a maturity at issuance of up to and including 397 days;

9.2.2 has a residual maturity of up to and including 397 days;

9.2.3 undergoes regular yield adjustments in line with money market conditions at least every 397 days;

9.2.4 or

9.2.5 has a risk profile, including credit and interest rate risks, corresponding to that of an instrument which has a maturity as set out in paragraphs 9.2.1 or 9.2.2 or is subject to yield adjustments as set out in paragraph 9.2.2.

9.3 A money-market instrument shall be regarded as liquid if it can be sold at limited cost in an adequately short time frame, taking into account the obligation of the Manager to redeem Units at the request of any qualifying Unitholder.

9.4 A money-market instrument shall be regarded as having a value which can be accurately determined at any time if accurate and reliable valuations systems, which fulfil the following criteria, are available:

9.4.1 enabling the Manager to calculate a net asset value in accordance with the value at which the instrument held in the portfolio could be exchanged between knowledgeable willing parties in an arm's length transaction;

and

9.4.2 based either on market data or on valuation models including systems based on amortised costs.

9.5 A money-market instrument that is normally dealt in on the money market and is admitted to or dealt in on an eligible market shall be presumed to be liquid and have a value which

can be accurately determined at any time unless there is information available to the Manager that would lead to a different determination.

Money-market instruments with a regulated issuer

9.6 In addition to instruments admitted to or dealt in on an eligible market, the Fund may invest in an approved money-market instrument provided it fulfils the following requirements:

9.6.1 the issue or the issuer is regulated for the purpose of protecting investors and savings;

and

9.6.2 the instrument is issued or guaranteed in accordance with paragraph 9.8;

9.7 The issue or the issuer of a money-market instrument, other than one dealt in on an eligible market, shall be regarded as regulated for the purpose of protecting investors and savings if:

9.7.1 the instrument is an approved money-market instrument;

9.7.2 appropriate information is available for the instrument (including information which allows an appropriate assessment of the credit risks related to investment in it), in accordance with paragraphs 9.9, 9.10 & 9.11;

and

9.7.3 the instrument is freely transferable.

Issuers and guarantors of money-market instruments

9.8 The Fund may invest in an approved money-market instrument if it is:

9.8.1 issued or guaranteed by any one of the following:

9.8.1.1 a central authority of an EEA State or, if the EEA State is a federal state, one of the members making up the federation;

9.8.1.2 a regional or local authority of an EEA State;

9.8.1.3 the European Central Bank or a central bank of an EEA State;

9.8.1.4 the European Union or the European Investment Bank;

9.8.1.5 a non-EEA State or, in the case of a federal state, one of the members making up the federation;

9.8.1.6 a public international body to which one or more EEA States belong;

or

9.8.2 issued by a body, any securities of which are dealt in on an eligible market;

or

9.8.3 issued or guaranteed by an establishment which is:

9.8.3.1 subject to prudential supervision in accordance with criteria defined by European Community law;

or

9.8.3.2 subject to and complies with prudential rules considered by the FCA to be at least as stringent as those laid down by European Community law.

9.8.4 An establishment shall be considered to satisfy the requirement in paragraph 9.8.3.2 if it is subject to and complies with prudential rules, and fulfils one or more of the following criteria:

9.8.4.1 it is located in the European Economic Area;

9.8.4.2 it is located in an OECD country belonging to the Group of Ten;

9.8.4.3 it has at least investment grade rating;

9.8.4.4 on the basis of an in-depth analysis of the issuer, it can be demonstrated that the prudential rules applicable to that issuer are at least as stringent as those laid down by European Community law.

Appropriate information for money-market instruments

9.9 In the case of an approved money-market instrument within paragraph 9.8.2 or which is issued by an authority within paragraph 9.8.1.2 or a public international body within paragraph 9.8.1.6 but is not guaranteed by a central authority within paragraph 9.8.1.1, the following information must be available:

9.9.1 information on both the issue or the issuance programme, and the legal and financial situation of the issuer prior to the issue of the instrument, verified by appropriately qualified third parties not subject to instructions from the issuer;

9.9.2 updates of that information on a regular basis and whenever a significant event occurs;

and

9.9.3 available and reliable statistics on the issue or the issuance programme.

9.10 In the case of an approved money-market instrument issued or guaranteed by an establishment within paragraph 9.8.3, the following information must be available

9.10.1 information on the issue or the issuance programme or on the legal and financial situation of the issuer prior to the issue of the instrument updates of that information on a regular basis and whenever a significant event occurs;

and

9.10.2 available and reliable statistics on the issue or the issuance programme, or other data enabling an appropriate assessment of the credit risks related to investment in those instruments.

9.11 In the case of an approved money-market instrument:

9.11.1 within paragraphs 9.8.1.1, 9.8.1.4 or 9.8.1.5;

or

9.11.2 which is issued by an authority within paragraph 9.8.1.2 or a public international body within paragraph 9.8.1.6 and is guaranteed by a central authority within paragraph 9.8.1.1;

information must be available on the issue or the issuance programme, or on the legal and financial situation of the issuer prior to the issue of the instrument.

10. Derivatives and forward transactions

10.1 A transaction in derivatives or a forward transaction must not be effected for the Fund unless the transaction is of a kind specified in paragraph 10.7 to 10.14; and the transaction is covered, as required by paragraph 1.3.

10.2 Where a Fund invests in derivatives, the exposure to the underlying assets must not exceed the limits set out in paragraphs 4 and 5 except for index based derivatives where the rules below apply.

10.3 Where a transferable security or an approved money market instrument embeds a derivative, this must be taken into account for the purposes of complying with this section.

10.4 A transferable security or an approved money-market instrument will embed a derivative if it contains a component which fulfils the following criteria:

10.4.1 by virtue of that component some or all of the cash flows that otherwise would be required by the transferable security or approved money-market instrument which functions as host contract can be modified according to a specified interest rate, financial instrument price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, and therefore vary in a way similar to a stand-alone derivative;

10.4.2 its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract;

and

10.4.3 it has a significant impact on the risk profile and pricing of the transferable security or approved money-market instrument.

10.5 A transferable security or an approved money-market instrument does not embed a derivative where it contains a component which is contractually transferable independently of the transferable security or the approved money-market instrument. That component shall be deemed to be a separate instrument.

10.6 Where a scheme invests in an index based derivative, provided the relevant index falls within paragraph 10.15 the underlying constituents of the index do not have to be taken into account for the purposes of paragraphs 4 and 5. The relaxation is subject to the Manager continuing to ensure that the Scheme Property provides a prudent spread of risk.

Please refer to section "Risk Factors" on page 30 of the Prospectus for a description of the risk factors associated with investments in derivatives.

Permitted transactions (derivatives and forwards)

10.7 A transaction in a derivative must be in an approved derivative; or be one which complies with paragraph 11.

10.8 A transaction in a derivative must have the underlying consisting of any or all of the following to which the scheme is dedicated:

10.8.1 transferable securities permitted under paragraphs 2.2.1 and 2.2.3,

10.8.2 approved money market instruments permitted under paragraphs 2.2.1 to 2.2.3,

10.8.3 permitted deposits,

10.8.4 permitted derivatives under this paragraph,

10.8.5 collective investment scheme units permitted under paragraph 7.

10.8.6 financial indices which satisfy the criteria set out in paragraph 10.15,

10.8.7 interest rates,

10.8.8 foreign exchange rates and currencies.

10.9 A transaction in an approved derivative must be effected on or under the rules of an eligible derivatives market.

10.10 A transaction in a derivative must not cause the Fund to diverge from its investment objectives as stated in the Instrument constituting the scheme and the most recently published version of this Prospectus.

10.11 A transaction in a derivative must not be entered into if the intended effect is to create the potential for an uncovered sale of one or more, transferable securities, approved money market instruments, units in collective investment schemes, or derivatives.

10.12 Any forward transaction must be with an Eligible Institution or an Approved Bank.

10.13 A derivative includes an instrument which fulfils the following criteria:

10.13.1 it allows the transfer of the credit risk of the underlying independently from the other risks associated with that underlying;

10.13.2 it does not result in the delivery or the transfer of assets other than those referred to in paragraph 2.1 including cash;

10.13.3 in the case of an OTC derivative, it complies with the requirements in paragraph 11;

10.13.4 its risks are adequately captured by the risk management process of the Manager, and by its internal control mechanisms in the case of risks of asymmetry of information between the Manager and the

counterparty to the derivative, resulting from potential access of the counterparty to non-public information on persons whose assets are used as the underlying by that derivative.

10.14 The Fund may not undertake transactions in derivatives on commodities.

10.15 Financial indices underlying derivatives

10.15.1 The financial indices referred to in paragraph 10.8.6 are those which satisfy the following criteria:

10.15.1.1 the index is sufficiently diversified;

10.15.1.2 the index represents an adequate benchmark for the market to which it refers;

and

10.15.1.3 the index is published in an appropriate manner.

10.15.2 A financial index is sufficiently diversified if:

10.15.2.1 it is composed in such a way that price movements or trading activities regarding one component do not unduly influence the performance of the whole index;

10.15.2.2 where it is composed of assets in which the Fund is permitted to invest, its composition is at least diversified in accordance with the requirements with respect to spread and concentration set out in this section;

and

10.15.2.3 where it is composed of assets in which the Fund cannot invest, it is diversified in a way which is equivalent to the diversification achieved by the requirements with respect to spread and concentration set out in this section.

10.15.3 A financial index represents an adequate benchmark for the market to which it refers if:

10.15.3.1 it measures the performance of a representative group of underlyings in a relevant and appropriate way;

10.15.3.2 it is revised or rebalanced periodically to ensure that it continues to reflect the markets to which it refers, following criteria which are publicly available;

and

10.15.3.3 the underlyings are sufficiently liquid, allowing users to replicate it if necessary.

10.15.4 A financial index is published in an appropriate manner if:

10.15.4.1 its publication process relies on sound procedures to collect prices, and calculate and subsequently publish the index value, including pricing procedures for components where a market price is not available;

and

10.15.4.2 material information on matters such as index calculation, rebalancing methodologies, index changes or any operational difficulties in providing timely or accurate information is provided on a wide and timely basis.

10.15.5 Where the composition of underlyings of a transaction in a derivative does not satisfy the requirements for a financial index, the underlyings for that transaction shall where they satisfy the requirements with respect to other underlyings pursuant to paragraph 10.15.2 be regarded as a combination of those underlyings.

11. OTC transactions in derivatives

11.1 Any transaction in an OTC derivative in paragraph 11 must be:

11.1.1 with an approved counterparty; A counterparty to a transaction in derivatives is approved only if the counterparty is an Eligible Institution or an Approved Bank; or a person whose permission (including any requirements or limitations), as published in the FCA Register or whose Home State authorisation, permits it to enter into the transaction as principal off-exchange;

11.1.2 on approved terms; the terms of the transaction in derivatives are approved only if, the Manager carries out at least daily a reliable and verifiable valuation in respect of that transaction corresponding to its fair value and which does not rely only on market quotations by the counterparty;

11.1.3 The Manager can enter into one or more further transactions to sell, liquidate or close out that transactions at any time at its fair value;

11.1.4 capable of reliable valuation; a transaction in derivatives is capable of reliable valuation only if the Manager having taken reasonable care determines that, throughout the life of the derivative (if the transaction is entered into), it will be able to value the investment concerned with reasonable accuracy: on the basis of an up-to-date market value which the Manager and the Trustee have agreed is reliable; or, if that value is not available, on the basis of a pricing model which the Manager and the Trustee have agreed uses an adequate recognised methodology; and

11.1.5 subject to verifiable valuation; a transaction in derivatives is subject to verifiable valuation only if, throughout the life of the derivative (if the transaction is entered into) verification of the valuation is carried out by an appropriate third party which is independent from the counterparty of the derivative, at an

adequate frequency and in such a way that the Manager is able to check it; or a department within the Manager which is independent from the department in charge of managing the Scheme Property and which is adequately equipped for such a purpose.

11.1.6 For the purposes of 11.1.3 "fair value" is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

11.1.7 In respect of its obligations under Chapter 5 of the Sourcebook (Investment and Borrowing Powers), the Trustee must take reasonable care to ensure that the Manager has systems and controls that are adequate to ensure compliance with paragraph 11.1.

11.2 calculation of the fund's global exposureThe Manager must calculate the global exposure of the Fund on at least a daily basis taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.

11.3 The Manager must calculate the global exposure of the Fund either as:

11.3.1 the incremental exposure and leverage generated through the use of derivatives and forward transactions, which may not exceed 100% of the Net Asset Value of the Scheme Property;

or

11.3.2 the market risk of the Scheme Property.

11.4 Global exposure of the Fund must be calculated by using:

11.4.1 the commitment approach;

or

11.4.2 the value at risk approach.

11.5 The Manager must ensure that the method selected under section 12.3 is appropriate, taking into account:

11.5.1 the investment strategy pursued by the Fund;

11.5.2 the types and complexities of the derivatives and forward transactions used;

and

11.5.3 the proportion of the Scheme Property comprising derivatives and forward transactions.

11.6 Where the Fund employs techniques and instruments including repo contracts or stock lending transactions in accordance with section 16 (Stock lending) in order to generate additional leverage or exposure to market risk, the Manager must take those transactions into consideration when calculating global exposure.

11.7 Where the Manager uses the commitment approach for the calculation of global exposure, it must ensure that it applies this approach to all derivative and forward transactions and convert each derivative or forward transaction into the market value of an equivalent position in the underlying asset of that derivative or forward (standard commitment approach). The Manager may in accordance with the Regulations take account of netting and hedging arrangements when calculating the global exposure of the Fund, where these arrangements do not disregard obvious and material risks and result in a clear reduction in risk exposure. Where the use of derivatives or forward transactions does not generate incremental exposure for the Fund, the underlying exposure need not be included in the commitment calculation. Where the commitment approach is used, temporary borrowing arrangements entered into on behalf of the Fund need not form part of the global exposure calculation.

11.8 For the purposes of paragraph 12.3, value at risk means a measure of the maximum expected loss at a given confidence level over the specified time period.

11.9 The Manager may apply other calculation methods which are equivalent to the standard commitment approach.

11.10 Risk Management: The Manager uses a risk management process (including a risk management policy in accordance with COLL 6.12), enabling it to monitor and measure at any time the risk of a Fund's positions and their contribution to the overall risk profile of the Fund.

11.11 Before using the process, the Manager will notify the FCA of the details of the risk management process. The following details of the risk management process must be regularly notified to the FCA and at least on an annual basis:

11.11.1 a true and fair view of the types of derivatives and forward transactions to be used within a Fund together with their underlying risks and any relevant quantitative limits;

and

11.11.2 the methods for estimating risks in derivative and forward transactions.

11.12 The Manager must notify the FCA in advance of any material alteration to the details above.

12. Efficient Portfolio Management

12.1 The Manager may use the Scheme Property of the Fund for the purposes of EPM:

12.2 To achieve EPM the Manager will use derivative transactions or forward currency transactions as appropriate. However such transactions must be:

12.2.1 economically appropriate in that they are realised in a cost effective way;

12.2.2 fully covered by assets within the Fund;

or

12.2.3 used to achieve one or more of the following:

12.2.3.1 a reduction in risk,

12.2.3.2 a reduction in cost,

12.2.3.3 generation of additional capital or income for the Fund with a risk level which is consistent with the risk profile of the Fund and the diversification rules laid down in the Regulations.

12.2.4 Therefore, no transaction may be undertaken under these provisions if it could reasonably be regarded as speculative.

12.3 Transactions deemed to offer an acceptable low level of risk under paragraph 12.2.3.3 above may include those where the:

12.3.1 transactions take advantage of pricing imperfections in relation to the acquisition and disposal (or disposal and acquisition) of rights in relation to the same or equivalent property;

or

12.3.2 transactions where the Fund receives a premium for the writing of a covered call or put option, even if the benefit arising is obtained at the expense of the chance of greater possible future benefit.

13. Investment in deposits

The Fund may invest in deposits only with an Approved Bank and which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months.

14. Significant influence

14.1 The Manager must not acquire transferable securities issued by a body corporate and carrying rights to vote (whether or not on substantially all matters) at a general meeting of that body corporate if:

14.1.1 immediately before the acquisition, the aggregate of any such securities held for the Fund gives the Manager power significantly to influence the conduct of business of that body corporate;

or

14.1.2 the acquisition gives the Manager that power.

14.2 For the purpose of paragraph 14.1, the Manager is to be taken to have power significantly to influence the conduct of business of a body corporate if it can, because of the transferable securities held by it, exercise or control the exercise of 20% or more of the voting rights in that body corporate (disregarding for this purpose any temporary suspension of voting rights in respect of the transferable securities of that body corporate).

15. Concentration

The Fund:

15.1 must not acquire transferable securities (other than debt securities) which:

15.1.1 do not carry a right to vote on any matter at a general meeting of the body corporate that issued them;

and

15.1.2 represent more than 10% of those securities issued by that body corporate;

15.2 must not acquire more than 10% of the debt securities issued by any single body;

15.3 must not acquire more than 25% of the units in a collective investment scheme;

15.4 must not acquire more than 10% of the approved money market instruments issued by any single body;

and

15.5 need not comply with the limits in paragraphs 15.2 to 15.4 if, at the time of acquisition, the net amount in issue of the relevant investment cannot be calculated.

16. Stock lending

16.1 The following paragraphs apply to the Trustee, except paragraphs 16.2 and 16.4 which apply to the Manager.

16.2 Permitted stock lending

16.2.1 Chapter 5 of the COLL Sourcebook permits the generation of additional income for the benefit of the Fund, and hence for its investors, by entry into stock lending transactions for the account of the Fund.

16.2.2 The specific method of stock lending permitted in this section is in fact not a transaction which is a loan in the normal sense. Rather it is an arrangement of the kind described in section 263B of the Taxation of Chargeable Gains Act 1992, under which the lender transfers securities to the borrower otherwise than by way of sale and the borrower is to transfer those securities, or securities of the same type and amount, back to the lender at a later date. In accordance with good market practice, a separate transaction by way of transfer of assets is also involved for the purpose of providing collateral to the "lender" to cover him against the risk that the future transfer back of the securities may not be satisfactorily completed.

16.3 The stock lending permitted by this section may be exercised by the Fund when it reasonably appears to the Manager to be appropriate to do so with a view to generating additional income for the Fund with an acceptable degree of risk.

16.4 The Trustee at the request of the Manager may enter into a stock lending arrangement of the kind described in section 263B of the Taxation of Chargeable Gains Act 1992 (without extension by section 263C), but only if:

16.4.1 all the terms of the agreement under which securities are to be reacquired by the Trustee, are in a form which is acceptable to the Trustee and are in accordance with good market practice;

16.4.2 the counterparty is:

16.4.2.1 an authorised person,

or

16.4.2.2 a person authorised by a home state regulator;

or

16.4.2.3 a person registered as a broker-dealer with the Securities and Exchange Commission of the United States of America;

or

16.4.2.4 a bank, or a branch of a bank, supervised and authorised to deal in investments as principal, with respect to OTC derivatives by at least one of the following federal banking supervisory authorities of the United States of America:

a) the Office of the Comptroller of the Currency;

b) the Federal Deposit Insurance Corporation;

c) the Board of Governors of the Federal Reserve System;

and

d) the Office of Thrift Supervision;

and

16.4.3 collateral is obtained to secure the obligation of the counterparty under the terms referred to in this paragraph 16.4.1 and the collateral is:

16.4.3.1 acceptable to the Trustee;

16.4.3.2 adequate within paragraph 16.7.1 and

16.4.3.3 sufficiently immediate within paragraph 16.7.2.

16.5 The counterparty for the purpose of paragraph 16.1 is the person who is obliged under the agreement referred to in paragraph 16.4.1 to transfer to the Trustee the securities transferred by the Trustee under the stock lending arrangement or securities of the same kind.

16.6 Where a stock lending arrangement is entered into, the Scheme Property remains unchanged in terms of value: the securities transferred cease to be part of the Scheme Property, but there is obtained in return an obligation on the part of the counterparty to transfer back equivalent securities. The Trustee will also receive collateral to set against the risk of default in transfer, and that collateral is equally irrelevant to the valuation of the Scheme Property (because it is transferred against an obligation of equivalent value by way of re-transfer).

Paragraph 16.7 accordingly makes provision for the treatment of the collateral in that context.

16.7 Treatment of collateral

16.7.1 Collateral is adequate for the purposes of this paragraph 16 only if it:

16.7.1.1 is transferred to the Trustee or its agent;

16.7.1.2 is at least equal in value, at the time of the transfer to the Trustee, to the value of the securities transferred by the Trustee;

and

16.7.1.3 is in the form of one or more of:

a) cash;

or

b) a certificate of deposit;

or

c) a letter of credit;

or

d) a readily realisable security;

or

e) commercial paper with no embedded derivative element;

or

f) a qualifying money market fund.

16.7.2 Collateral is sufficiently immediate if:

16.7.2.1 it is transferred before or at the time of the transfer of the securities by the Trustee;

or

16.7.2.2 the Trustee takes reasonable care to determine at that time that it will be transferred at the latest by the close of business on the day of the transfer.

16.7.3 The Trustee must ensure that the value of the collateral at all times is at least equal to the value of the securities transferred by the Trustee.

16.7.4 The duty in paragraph 16.7.3 may be regarded as satisfied in respect of collateral the validity of which is about to expire or has expired where the Trustee takes reasonable care to determine that sufficient collateral will again be transferred at the latest by the close of business on the day of expiry.

16.7.5 Any agreement for transfer at a future date of securities or of collateral (or of the equivalent of either) may be regarded, for the purposes of valuation under COLL 6.3 of the COLL Sourcebook, as an unconditional agreement for the sale or transfer of property, whether or not the property is part of the Scheme Property.

16.7.6 Collateral transferred to the Trustee is part of the Scheme Property for the purposes of the rules of the COLL Sourcebook, except in the following respects:

16.7.6.1 it does not fall to be included in any valuation for the purposes of the COLL Sourcebook, because it is offset under paragraph 16.7.5 by an obligation to transfer;

and

16.7.6.2 it does not count as Scheme Property for any purpose of Chapter 5 of the COLL Sourcebook, other than for the purposes of stock lending.

16.7.7 Paragraphs 16.7.5 and 16.7.6.1 do not apply to any valuation of collateral itself for the purposes of this section.

16.7.8 There is no limit on the value of the Scheme Property which may be the subject of stock lending transactions within this section.

17. Cash, borrowing, lending and other provisions

17.1 Paragraphs 17.8 and 17.9 apply to the Manager.

17.2 Paragraph 18 (General power to borrow) applies to the Trustee, except paragraphs 18.3 and 18.4 which apply to the Manager.

17.3 Paragraph 18.5 (Borrowing limits) applies to the Manager.

17.4 Paragraph 18.6 (Restrictions on lending of money) applies to the Manager and Trustee.

17.5 Paragraph 18.7 (Restrictions on lending of property other than money) applies to the Manager and Trustee.

17.6 Paragraph 19 (General power to accept or underwrite placings) applies to the Manager.

17.7 Paragraph 20 (Guarantees and indemnities) applies to the Trustee.

17.8 Cash and near cash

Cash and near cash must not be retained in the Scheme Property except in order to enable:

17.8.1 the pursuit of the Fund's investment objectives;

or

17.8.2 redemption of Units;

or

17.8.3 efficient management of the Fund in accordance with its investment objective;

or

17.8.4 other purposes which may reasonably be regarded as ancillary to the investment objectives of the Fund.

17.9 During the period of the initial offer the Scheme Property may consist of cash and near cash without limitation.

18. General power to borrow

18.1 The Trustee may, in accordance with this paragraph, borrow money for the use of the Fund on terms that the borrowing is to be repayable out of the Scheme Property. This power to borrow is subject to the obligation of the Fund to comply with any restriction in the Trust Deed.

18.2 The Trustee may borrow under paragraph 18.1 only from an Eligible Institution or an Approved Bank.

18.3 The Manager must ensure that any borrowing is on a temporary basis and that borrowings are not persistent, and for this purpose the Manager must have regard in particular to:

18.3.1 the duration of any period of borrowing;

and

18.3.2 the number of occasions on which resort is had to borrowing in any period.

18.4 In addition to complying with paragraph 18.3 the Manager must ensure that no period of borrowing exceeds three months, whether in respect of any specific sum or at all, without the prior consent of the Trustee; the Trustee's consent may be given only on such conditions as appear to the Trustee appropriate to ensure that the borrowing does not cease to be on a temporary basis only.

18.5 Borrowing limits

18.5.1 The Manager must ensure that the Fund's borrowing does not, on any day, exceed 10% of the value of the Scheme Property.

18.5.2 In this paragraph 18.5 "borrowing" includes, as well as borrowing in a conventional manner, any other arrangement (including a combination of derivatives) designed to achieve a temporary injection of money into the Scheme Property in the expectation that the sum will be repaid.

18.6 Restrictions on lending of money

18.6.1 None of the money in the Scheme Property may be lent and, for the purposes of this prohibition, money is lent by the Fund if it is paid to a person ("the payee") on the basis that it should be repaid, whether or not by the payee.

18.6.2 Acquiring a debenture is not lending for the purposes of paragraph 18.6.1; nor is the placing of money on deposit or in a current account.

18.7 Restrictions on lending of property other than money

18.7.1 The Scheme Property other than money must not be lent by way of deposit or otherwise.

18.7.2 Transactions permitted by paragraph 16 are not lending for the purposes of paragraph 18.7.1.

18.7.3 The Scheme Property must not be mortgaged.

18.7.4 Nothing prevents the Trustee at the request of the Manager, from lending, depositing, pledging or charging Scheme Property for margin requirements where transactions in derivatives or forward transactions are used for the account of the Fund in accordance with any other of the rules in Chapter 5 of the COLL Sourcebook.

19. General power to accept or underwrite placings

19.1 Any power in Chapter 5 of the COLL Sourcebook to invest in transferable securities may be used for the purpose of entering into transactions to which this section applies, subject to compliance with any restriction in the Trust Deed.

19.2 This section applies, subject to paragraph 19.3, to any agreement or understanding which:

19.2.1 is an underwriting or sub-underwriting agreement;

or

19.2.2 contemplates that securities will or may be issued or subscribed for or acquired for the account of the Fund.

19.3 Paragraph 19.2 does not apply to:

19.3.1 an option;

or

19.3.2 a purchase of a transferable security which confers a right:

19.3.2.1 to subscribe for or acquire a transferable security;

or

19.3.2.2 to convert one transferable security into another.

19.3.3 The exposure of the Fund to agreements and understandings within paragraph 16.2 must, on any day be:

19.3.3.1 covered in accordance with the requirements of the COLL Sourcebook;

and

19.3.3.2 such that, if all possible obligations arising under them had immediately to be met in full, there would be no breach of any limit in Chapter 5 of the COLL Sourcebook.

20. Guarantees and indemnities

20.1 The Trustee for the account of the Fund must not provide any guarantee or indemnity in respect of the obligation of any person.

20.2 None of the Scheme Property may be used to discharge any obligation arising under a guarantee or indemnity with respect to the obligation of any person.

20.3 Paragraphs 20.1 and 20.2 do not apply to:

20.3.1 any indemnity or guarantee given for margin requirements where the derivatives or forward transactions are being used in accordance with the rules in Chapter 5 of the COLL Sourcebook;

and

20.3.2 an indemnity given to a person winding up a body corporate or other scheme in circumstances where those assets are becoming part of the Scheme Property by way of a unitisation.

21. Miscellaneous

21.1 A Fund's exposure to any single counterparty to a securities lending or an OTC derivative transaction may not exceed the relevant limits in paragraph 5.

21.2 The Fund is permitted to balance exposure to any counterparty by taking or giving 'collateral'. Collateral is a pledge of an asset as security for one party's risk exposure to the other. The Fund can accept cash, certain government bonds and high grade corporate bonds as eligible collateral for OTC derivatives or certain government bonds and baskets of certain equities for securities lending transactions.

21.3 Sometimes the Fund, or the OTC derivative counterparty, will apply a 'haircut' to non-cash collateral. A haircut is a nominal reduction applied to the market value of collateral to provide a buffer against rises and falls in the value or the exposure of that type of collateral.

21.4 The value of collateral, taking account of haircuts, is regularly adjusted to maintain the agreed level/range of exposure to the Fund.

21.5 For collateral received as part of OTC derivative transactions, a Fund will become the (legal) owner of the collateral when it is taken but places it with the Trustee for safekeeping.

21.6 For collateral received as part of securities lending, it will be held by a tri-party agent. A tri-party agent generally acts a settlement and collection service for securities and collateral between the lender and the borrower and maintains the value, quality and performance of the collateral.

21.7 The Fund is entitled to reinvest cash collateral but this is subject to certain liquidity and risk management requirements.

INVESTMENT AND FINANCIAL TECHNIQUES

The Fund may enter into TRS and may engage in SFTs, being repurchase or reverse-repurchase transactions and stock lending in accordance with the FCA Regulations and normal market practice. Any such use of SFTs and TRS will be consistent with the investment objective and policy of the Fund and, where utilised, any assets of the Fund may be subject to SFTs and/or TRS.

Total return swaps

A TRS is a contract whereby one party (e.g. the total return payer) agrees to make a series of payments to another party (e.g. the receiver) based on the change in the market value of the assets underlying such contract (which can include a security or baskets thereof or eligible index) during the specified period. In exchange, the other party to the contract agrees to make a series of payments calculated by reference to an interest rate and/or some other agreed-upon amount (including the change in market value of other underlying assets).

To the extent relevant, the Fund may use total return swaps to gain exposure to an asset without owning it or taking physical custody of it. For example, if the Fund invests in a total return swap on an underlying security, it will receive the price appreciation of the underlying security in exchange for payment of an agreed-upon fee.

The Fund may use total return swaps to more efficiently express a view in a given position and/or to gain or reduce exposure in a more cost effective manner and/or reduce risk. Total return swaps are typically used on single reference entities. Additionally, total return swaps can be used to hedge existing long positions or exposures. Accordingly, the underlying strategy and composition of the investment portfolio of TRS will be consistent with the investment policy of the Trust.

The Fund may use TRS or financial derivative instruments with the same characteristics (as part of their derivative usage) for efficient portfolio management or for investment purposes.

Repurchase / reverse repurchase agreements and stock lending agreements

A stock lending agreement is an agreement under which title to the "loaned" securities is transferred by a "lender" to a "borrower" with the borrower contracting to deliver "equivalent securities" to the lender at a later date. Stock lending aims to generate additional income with an acceptable degree of risk.

Repurchase agreements are transactions in which one party sells a security to the other party with a simultaneous agreement to repurchase the security at a fixed future date at a stipulated price reflecting a market rate of interest unrelated to the coupon rate of the securities. A reverse repurchase agreement is a transaction whereby the Fund purchases securities from a counterparty and simultaneously commits to resell the securities to the counterparty at an agreed upon date and price. The Fund or the Trustee, at the request of the Manager, may enter into repurchase agreements for the purpose of generating additional capital or income, for reducing costs or risk and/or otherwise to more efficiently express a view in a given position.

As at the date of this Prospectus, whilst the Fund may use repurchase / reverse repurchase agreements and stock lending agreements, it currently does not do so. However, the Manager reserves the right to permit the use of such SFTs in the future.

Securities Financing Transactions

SFTs and TRS will only be entered with "approved counterparties" as defined in the FCA Regulations. Any counterparty shall also be subject to an appropriate internal credit assessment carried out by the Trust, which shall include amongst other considerations, external credit ratings of the counterparty, the regulatory supervision applied to the relevant counterparty, industry sector risk and concentration risk.

Subject to this, the Manager has discretion as to the appointment of counterparties when entering into SFTs and TRS in furtherance of the Trust's investment objectives and policies. It is not possible to comprehensively list in this Prospectus all the counterparties as they may change from time to time.

The counterparty does not have discretion over the composition or management of the Trust's portfolio or over any underlying of financial derivative instruments used by the Fund and counterparty approval is not required for any investment decision made by an Investment Adviser regarding the Trust. However, the Manager reserves the right to permit the granting of such discretion with the agreement of the relevant Investment Adviser.

With the exception of revenues generated through stock lending, all revenues arising from SFTs and TRS, net of any direct and indirect operational costs and fees arising, will be retained by the Trust. Any revenue generated through stock lending will be split 20% with the agent lender and 80% with the Trust.

Any entities who receive revenue from stock lending or use of other SFTs shall be outlined in the annual report of the Trust, which shall indicate if the entities are related to the Manager or the Trustee.

The maximum percentage of the Trust's assets that may be the subject of STFs and/or TRS and the expected percentage of such usage is set out in the details for the Fund in Appendix 1 to this Prospectus.

The section above entitled "Risk Factors" provides a description of the risks associated with investments in derivatives, repurchase and reverse repurchase agreements, stock lending and the management of collateral.

The Manager will disclose in the Trust's annual report certain information regarding its use of SFTs and TRS.

With the exception of collateral received as part of a stock lending transaction, the assets of the Fund that are subject to SFTs and TRS are held by the Trustee for safekeeping. For collateral received as part of stock lending, it will be held by a tri-party agent. A tri-party agent generally acts a settlement and collection service for securities and collateral between the lender and the borrower and maintains the value, quality and performance of the collateral.

As at the date of this Prospectus, whilst the Fund may use repurchase / reverse repurchase agreements and stock lending agreements, it does not currently do so. However, the Manager reserves the right to permit the use of such SFTs in the future.

Collateral

Collateral obtained under an SFT or TRS must meet the criteria set out in the COLL Sourcebook, as further described above in this Appendix 2. The types of assets that may be received as collateral in respect of SFTs and TRS will be of high quality and may include cash (with the exception of stock lending transactions where cash is not used as collateral) (as described in paragraph 16 of this Appendix 2).

Collateral received must be issued by an entity that is independent from the counterparty and is not expected to display a high correlation with the performance of the counterparty. Collateral must also be sufficiently diversified in terms of country, markets and issuers.

Any collateral obtained by the Fund under an SFT or TRS will be valued daily at mark-to-market prices. Sometimes the Trust, or the OTC derivative counterparty, will apply a 'haircut' to non-cash collateral. A haircut is a nominal reduction applied to the market value of collateral to provide a buffer against rises and falls in the value or the exposure of that type of collateral. Daily variation margin may be used if the value of collateral, as adjusted for any haircut, falls below the value of the relevant counterparty exposure.

The reuse of collateral is limited by the COLL Sourcebook to certain asset classes. Such reuse should neither result in a change to the Trust's investment objectives nor increase substantially its risk profile.

As at the date of this Prospectus, whilst the Fund may reuse collateral in line with the limitations in the COLL Sourcebook, the Fund does not currently reuse collateral. However, the Manager reserves the right to permit such reuse of collateral in the future.

Appendix 3

LIST OF ADDITIONAL ELIGIBLE SECURITIES MARKETS

Australia	1. Australian Stock Exchange
Brazil	2. B3 S.A. – Brasil, Bolsa, Balcão
Canada	3. Toronto Stock Exchange 4. Montreal Exchange
Channel Islands	5. TISE, The International Stock Exchange
China	6. Shanghai Stock Exchange 7. Shenzhen Stock Exchange 8. Hong Kong Exchange (HKEX) - Stock Connect
Hong Kong	9. Hong Kong Exchanges
India	10. BSE Limited 11. National Stock Exchange of India
Indonesia	12. Indonesia Stock Exchange, ISX (Bursa Efek Indonesia)
Israel	13. Tel Aviv Stock Exchange
Japan	14. JASDAQ 15. Nagoya Stock Exchange 16. Osaka Securities Exchange 17. Sapporo Stock Exchange 18. Tokyo Stock Exchange
Korea (Republic of)	19. Korea Exchange (KRX)
Malaysia	20. Bursa Malaysia Berhard
Mexico	21. Mexican Stock Exchange
New Zealand	22. New Zealand Stock Exchange
Peru	23. La Bolsa de Valores de Lima
Philippines	24. Philippine Stock Exchange
Singapore	25. Singapore Exchange
South Africa	26. JSE Limited
Sri Lanka	27. Colombo Stock Exchange
Switzerland	28. SIX Swiss Exchange AG
Taiwan	29. Taiwan Stock Exchange
Thailand	30. The Stock Exchange of Thailand (SET)
Turkey	31. Borsa İstanbul
United Kingdom	32. Alternative Investment Market 33. Cboe Europe Equities Regulated Market - Integrated Book Segment 34. Cboe Europe Equities Regulated Market - Off-Book Segment 35. Cboe Europe Equities Regulated Market - Reference Price Book\n Segment 36. Euronext London Regulated Market 37. London Stock Exchange Regulated Market 38. NEX Exchange Main Board (equity) 39. NEX Exchange Main Board (non-equity) 40. Wholesale non-investment product services market
USA	41. New York Stock Exchange 42. NASDAQ 43. Chicago Stock Exchange 44. NASDAQ PHLX LLC 45. Nasdaq BX, Inc 46. NYSE Arca 47. NYSE MKT LLC 48. NYSE National, Inc.

In addition to the above, the Fund can invest in any regulated market of the European Economic area on which transferable securities or approved money market instruments admitted to official listing in that country are dealt or traded.

Appendix 4

LIST OF ADDITIONAL ELIGIBLE DERIVATIVES MARKETS

Australia	1. Australian Stock Exchange (ASX) Ltd
Canada	2. Montreal Exchange
Hong Kong	3. Hong Kong Exchanges
Japan	4. Tokyo Stock Exchange (TSE) 5. Osaka Securities Exchange (OSE) 6. Tokyo International Financial Futures Exchange (TIFFE)
Singapore	7. Singapore Exchange
United Kingdom	8. ICE Futures Europe 9. ICE Futures Europe – Equity Products Division 10. ICE Futures Europe – Financial Products Division 11. London Stock Exchange Regulated Market (derivatives)
USA	12. CME Group Inc 13. NASDAQ PHLX LLC 14. Chicago Board Options Exchange (CBOE) 15. New York Mercantile Exchange (NYMEX)) 16. New York Futures Exchange (NYFE) 17. New York Stock Exchange

Appendix 5

DETAILS OF PAST PERFORMANCE

OSPREY FUND	Launch Date	% Growth				
		31/12/2013 to 31/12/2014	31/12/2014 to 31/12/2015	31/12/2015 to 31/12/2016	31/12/2016 to 31/12/2017	31/12/2017 to 31/12/2018
Income Units	17/09/2004	12.63	6.90	17.37	10.44	-5.67
MSCI AC World NR		10.64	3.29	28.66	13.24	-3.79
Institutional W Accumulation Units	01/09/2015	n/a	n/a	17.66	10.72	-5.43
MSCI AC World NR		10.64	3.29	28.66	13.24	-3.79
Institutional W Income Units	01/09/2015	n/a	n/a	17.66	10.74	-5.43
MSCI AC World NR		10.64	3.29	28.66	13.24	-3.79

All performance data is sourced from Lipper (except where otherwise stated) on a Total Return, with initial charges excluded but including annual charges, income reinvested net of UK tax. All figures are in Sterling terms.

Source: Lipper IM

Past performance is not a guide to the future.

PLEASE REMEMBER THAT THE VALUE OF UNITS AND THE INCOME FROM THEM CAN FALL AS WELL AS RISE AND INVESTORS MAY NOT GET BACK THE FULL AMOUNT ORIGINALLY INVESTED

Appendix 6

LIST OF SUB-DELEGATES APPOINTED IN RESPECT OF FINANCIAL INSTRUMENTS IN CUSTODY

Argentina	Citibank N.A.Argentina
Australia	The Hongkong and Shanghai Banking Corporation Limited Australia Branch
	Citigroup Pty. Limited
	National Australia Bank Limited ("NAB")
Austria	UniCredit Bank Austria AG
	Citibank Europe plc
Bahrain	HSBC Bank Middle East Limited
Bangladesh	The Hongkong and Shanghai Banking Corporation Limited
Belgium	The Bank of New York Mellon SA/NV
Bermuda	HSBC Bank Bermuda Limited
Botswana	Stanbic Bank Botswana Limited
Brazil	Citibank N.A.Brazil
	Itaù Unibanco S.A
Bulgaria	Citibank Europe plc, Bulgaria Branch
Burkina Faso	Please see WAEMU market
Canada	CIBC Mellon Trust Company (CIBC Mellon)
Cayman islands	The Bank of New York Mellon
Channel Islands	The Bank of New York Mellon
Chile	Banco de Chile
	Itaú Corpbanca S.A.
China	HSBC Bank (China) Company Limited
Colombia	Cititrust Colombia S.A. Sociedad Fiduciaria
Costa Rica	Banco Nacional de Costa Rica
Croatia	Privredna Banka Zagreb d.d.
Cyprus	BNP Paribas Securities Services,S.C.A Athens
Czech Republic	Citibank Europe plc, Organizacni slozka
Denmark	Skandinaviska Enskilda Banken, AB (Publ)
Egypt	HSBC Bank Egypt S.A.E.
Estonia	Seb Pank AS
Euroclear	Euroclear Bank
	Clearstream Banking S.A
Finland	Skandinaviska Enskilda Banken AB, (Publ)
France	(BNP Paribas Securities Services S.C.A
	Citibank Europe plc, UK Branch
	The Bank of New York Mellon SA/NV
Germany	The Bank of New York Mellon SA/NV, Asset Servicing, Niederlassung Frankfurt am Maim
Ghana	Stanbic Bank Ghana Limited
Greece	BNP Paribas Securities Services, S.C.A Athens
Guinea-Bissau	Please see WAEMU market
Hong Kong	Deutsche Bank AG
	The Hong Kong and Shanghai Banking Corporation Limited
Hungary	Citibank Europe plc, Hungarian Branch Office
Iceland	Landsbankinn hf
	Islandsbanki hf
India	Deutsche Bank AG
	The Hong Kong and Shanghai Banking Corporation Limited
Indonesia	Deutsche Bank AG, Jakarta 7th Floor, Deutsche Bank Building Jl. Imam Bonjol No.80 Jakarta 10310 Indonesia
Ireland	The Bank of New York Mellon
Israel	Bank Hapoalim B.M.
Italy	Intesa Sanpaolo S.p.A
	Citibank, N.A., Milan
	The Bank of New York Mellon SA/NV
Ivory Coast	Please see WAEMU market
Japan	Mizuho Bank Ltd
	MUFG Bank, Ltd
Jordan	Standard Chartered Bank
Kazakhstan	Citibank Kazakhstan Joint-Stock Company
Kenya	Stanbic Bank Kenya Limited
Kuwait	HSBC Bank Middle East Limited, Kuwait
Latvia	AS SEB banka
Lithuania	AB SEB Bankas
Luxembourg	Euroclear Bank
Malawi	Standard Bank Limited
Malaysia	Deutsche Bank (Malaysia) Berhad
Mali	Please see WAEMU market
Malta	The Bank Of New York Mellon SA/NV, Asset Servicing
	Niederlassung Frankfurt am Main
Mauritius	The Hong Kong & Shanghai Banking Corporation Limited
Mexico	Citibanamex
	Banco Santander (Mexico), S.A.
Morocco	Citibank Maghreb S.A.
Namibia	Standard Bank Namibia Limited
Netherlands	The Bank of New York Mellon SA/NV
New Zealand	National Australia Bank Limited
	The Hong kong and Shanghai Banking Corporation Limited New Zealand Branch ("HSBC New Zealand")
Niger	Please see WAEMU market
Nigeria	Stanbic IBTC Bank Plc
Norway	Skandinaviska Enskilda Banken AB, (Publ)
Oman	HSBC Bank Oman S.A.O.G.
Pakistan	Deutsche Bank AG
Panama	Citibank, N.A., Panama Branch
Peru	Citibank del Peru S.A
Philippines	Deutsche Bank AG
Poland	Bank Polska Kasa Opieki S.A.
Portugal	Citibank Europe plc, sucursal em Portugal
Qatar	HSBC Bank Middle East Limited, Doha
Romania	Citibank Europe Plc, Romania Branch

Russia	AO Citibank
	Public Joint Stock Company (PJSC) ROSBANK
Saudi Arabia	HSBC Saudi Arabia
Senegal	Please see WAEMU market
Serbia	UniCredit Bank Serbia JSC
Singapore	DBS Bank Ltd
	United Overseas Bank Ltd
Slovak Republic / Slovakia	Citibank Europe plc, pobocka zahranicnej banky
Slovenia	UniCredit Banka Slovenija d.d.
South Africa	The Standard Bank of South Africa Limited
	Standard Chartered Bank
South Korea	Deutsche Bank AG
	The Hong Kong and Shanghai Banking Corporation Limited
Spain	Santander Securities Services, S.A.U.
	Banco Bilbao Vizcaya Argentaria, S.A.
Sri Lanka	The Hong Kong and Shanghai Banking Corporation Limited
Swaziland	Standard Bank Swaziland Limited
Sweden	Skandinaviska Enskilda Banken AB, (Publ)
Switzerland	Credit Suisse (Switzerland) Ltd.
	UBS Switzerland AG
Taiwan	HSBC Bank (Taiwan) Limited
Tanzania	Stanbic Bank Tanzania Limited.
Thailand	The Hongkong and Shanghai Banking Corporation Limited
Togo	Please see WAEMU market
Tunisia	Banque Internationale Arabe de Tunisie
Turkey	Deutsche Bank A.S.
Uganda	Stanbic Bank Uganda Limited
Ukraine	Public Joint Stock Company "Citibank"
United Arab Emirates-ADX	HSBC Bank Middle East Limited, Dubai
United Arab Emirates-DFM	HSBC Bank Middle East Limited, Dubai
United Arab Emirates-NASDAQ	HSBC Bank Middle East Limited, Dubai
United Kingdom	The Bank of New York Mellon
	Depository and Clearing Centre (DCC) Deutche Bank AG, London Branch
United States	The Bank of New York Mellon
	HSBC Bank, USA, N.A
Uruguay	Banco Itau Uruguay S.A.
Venezuela	Citibank N.A. Sucursal Venezuela
Vietnam	HSBC Bank (Vietnam) Ltd
Zambia	Stanbic Bank Zambia Ltd
Zimbabwe	Stanbic Bank Zimbabwe Limited

Appendix 7 – Directory

Manager

BNY Mellon Fund Managers Limited
BNY Mellon Centre
160 Queen Victoria Street
London
EC4V 4LA
Company No. 1998251

Investment Adviser

Newton Investment Management Limited
BNY Mellon Centre
160 Queen Victoria Street
London
EC4V 4LA
Company No. 1371973

Administrator

Registered Address:

The Bank of New York Mellon (International) Limited
1 Canada Square
London
E14 5AL
Company No. 03236121

Address for Correspondence:

BNY Mellon Fund Managers Limited
Client Service Centre
PO Box 366
Darlington
DL1 9RF

Trustee

Registered Address:

NatWest Trustee and Depositary Services Limited
250 Bishopsgate
London
EC2M 4AA

Address for Correspondence:

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Drummond House
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EH12 9RH
Scotland

Auditors

Registered Address:

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1 More London Place
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SE1 2AF

Address for Correspondence:

Ernst & Young LLP
Atria One

144 Morrison Street

Edinburgh

EH3 8EX



BNY MELLON

INVESTMENT MANAGEMENT