Prospectus

of the

IFSL Brooks Macdonald Fund

An Investment Company with Variable Capital

Prepared in accordance with the Collective Investment Schemes Sourcebook
Dated and valid as at 16th December 2019

Authorised Corporate Director
Investment Fund Services Limited
Registered Office and Operating Address:
Marlborough House
59 Chorley New Road
Bolton, BL1 4QP
(Authorised and regulated by the Financial Conduct Authority)

Investment Manager
Brooks Macdonald Asset Management Limited
72 Welbeck Street
London, W1G 0AY
(Authorised and Regulated by the Financial Conduct Authority)

Registered and Head Office of the Company
Marlborough House
59 Chorley New Road
Bolton, BL1 4QP

Depositary
NatWest Trustee and Depositary Services Limited
250 Bishopsgate
London, EC2M 4AA
(Authorised and regulated by the Financial Conduct Authority)

Solicitors
Burges Salmon
One Glass Wharf
Bristol, BS2 0ZX

Auditors
Ernst & Young LLP
Atria One
144 Morrison Street
Edinburgh, EH3 8EX

Custodian
BNP Paribas Securities Services, London Branch
10 Harewood Avenue
London, NW1 6AA
(Authorised and supervised in France by Autorité de Contrôle Prudentiel ("**ACP**") and by the Autorité de Marchés Financiers ("**AMF**") and authorised by and subject to limited regulation by the Financial Conduct Authority for the conduct of its investment business in the UK)

Administrator and Registrar
Investment Fund Services Limited Registered Office and Operating Address:
Marlborough House
59 Chorley New Road
Bolton, BL1 4QP
(Authorised and regulated by the Financial Conduct Authority)

THIS PROSPECTUS IS IMPORTANT

IF YOU ARE IN ANY DOUBT AS TO THE MEANING OF ANY INFORMATION CONTAINED IN THIS PROSPECTUS, YOU SHOULD CONSULT THE AUTHORISED CORPORATE DIRECTOR (ACD) OR YOUR INDEPENDENT FINANCIAL ADVISER.

This Prospectus is intended for distribution in the United Kingdom. Its distribution may be restricted in other countries. It does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is unlawful or in which the person making such offer or solicitation is not qualified so to do, or to anyone to whom it is unlawful to make such an 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 shares.

Intending investors should inform themselves about and observe the legal requirements within their own countries for the acquisition of shares of the IFSL Brooks Macdonald Fund and any taxation or exchange control legislation affecting them personally, including the obtaining of any necessary governmental or other consents and the observation of any other formalities.

This Prospectus has been approved for the purpose of section 21 of the Financial Services and Markets Act 2000 by Investment Fund Services Limited.

The provisions of the Company's instrument of incorporation are binding on each of its Shareholders (who are taken to have notice of them).

Shares in the IFSL Brooks Macdonald Fund are not listed or dealt on any investment exchange.

This Prospectus describes the constitution and operation of the IFSL Brooks Macdonald Fund at the date of this Prospectus and is based on information, law and practice at the date hereof. In the event of any materially significant change in the matters stated herein or any materially significant new matter arising which ought to be stated herein this Prospectus will be revised. Investors should check with the ACD that this is the latest version and that there have been no revisions or updates.

The Depositary is not a person responsible for the information contained in this Prospectus and accordingly does not accept any responsibility therefore under the Regulations or otherwise.

US Tax Reporting

The Company is required to comply with certain reporting requirements in order to avoid a 30% US withholding tax on interest income and the proceeds of sales of US securities and other US financial instruments. Complying with such requirements may require the Company to request certain information and documentation from Shareholders, and to agree to provide such information and documentation to the IRS if requested to do so. Any Shareholder that fails to provide the required information may be subject to a compulsory redemption of their shares and/or mandatory penalties.

Shares have not been and will not be registered under the United States Securities Act of 1933, as amended. They may not be offered or sold in the United States of America, its territories and possessions, any State of the United States of America and the District of Columbia or offered or sold to US Persons (as defined below). The Company has not been and will not be registered under the United States Investment Company Act of 1940, as amended. The ACD has not been and will not be registered under the United States Investment Advisers Act of 1940.

A "U.S Person" means any citizen or resident of the United States of America, its territories and possessions including the State and District of Columbia and all areas subject to its jurisdiction

(including the Commonwealth of Puerto Rico), any corporation, trust, partnership or other entity created or organised in or under the laws of the United States of America, any state thereof or any estate or trust the income of which is subject to United States federal income tax, regardless of source. The expression also includes any person falling within the definition of the term "U.S Person" under Regulation S promulgated under the United States Securities Act of 1933.

This Prospectus is dated and valid as at 16th December 2019.

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1 INTERPRETATION

In this Prospectus the words and expressions set out in the first column below shall have the meanings set opposite them unless the context requires otherwise. Words and expressions contained in this Prospectus but not defined herein shall have the same meanings as in the Act or Regulations (as defined below) unless the contrary is stated. The definitions are as follows:

"**ACD**"	the Authorised Corporate Director of the Company holding office from time to time pursuant to the Regulations being Investment Fund Services Limited at the date of this Prospectus;
"**Act**"	the Financial Services and Markets Act 2000 as amended from time to time;
"**Administrator**"	Investment Fund Services Limited;
"**Business Day**"	Monday to Friday excluding UK public and bank holidays or any day on which the London Stock Exchange is not open and excluding the last trading day before the 25th December or any day on which the ACD has notified the Depositary that it is not open for normal business or otherwise agreed between the ACD and the Depositary;
"**Collective Investment Schemes Sourcebook**" or "**COLL**"	the Collective Investment Schemes Sourcebook issued by the FCA pursuant to the Act, as amended from time to time;
"**Company**"	IFSL Brooks Macdonald Fund;
"**Dealing Day**"	each day which is a Business Day;
"**Depositary**"	the person appointed from time to time by the Company or otherwise pursuant to the Regulations to which all of the Scheme Property of the Company is entrusted for safe keeping pursuant to the Regulations, being NatWest Trustee and Depositary Services Limited at the date of this Prospectus;
"**FCA**"	Financial Conduct Authority, 12 Endeavour Square, London, E20 1JN;
"**Investment Manager**"	means Brooks Macdonald Asset Management Limited, appointed by the ACD as investment manager to the Sub-Funds;
"**NAV**" or "**Net Asset Value**"	the value of the Scheme Property less the liabilities of the Company as calculated in accordance with the Regulations;
"**OEIC Regulations**"	Open-Ended Investment Companies Regulations 2001 as amended from time to time;
"**Registrar**"	means Investment Fund Services limited (IFSL);
"**Regulations**"	the OEIC Regulations and the Collective Investment Schemes Sourcebook;
"**Scheme Property**"	means those assets which comprise the property of the Company (or a Sub-Fund);

"**Shareholder**"	a holder of registered shares in the Company;
"**Sub-Funds**"	the sub-funds from time to time of the Company (being part of the Scheme Property which is pooled separately and to which specific assets and liabilities of the Company may be allocated), and which is invested in accordance with the investment objective applicable to such sub-fund and "Sub-Fund" shall mean one of the sub-funds;
"**UCITS Directive**"	EU Council Directive 2009/65/EC dated 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (as amended or recast);
"**UCITS Scheme**"	a fund authorised by the FCA which complies with the conditions necessary for it to enjoy the rights conferred by the UCITS Directive; and
"VAT"	value added tax.

2 CONSTITUTION OF THE COMPANY

The Company is an open-ended investment company with variable capital incorporated under the OEIC Regulations. The Company is a UCITS Scheme as defined in COLL and is also an umbrella company for the purposes of the OEIC Regulations. The Company is incorporated in England and Wales with registered number IC000357. The Company was authorised by an order made by the FCA with effect from 30th November 2004 with the Product Reference Number (PRN) 413889.

The head office of the Company is at Marlborough House, 59 Chorley New Road, Bolton BL1 4QP. This is also the address for the service on the Company of notices or other documents required or authorised to be served on it.

The base currency for the Company is pounds sterling. The maximum size of the Company's capital is £100,000,000,000 and the minimum size is £1.

The operation of the Company is governed by the Regulations, the Company's Instrument of Incorporation and this Prospectus. The Company has unlimited duration.

Shareholders do not have any proprietary interest in the underlying assets of the Sub-Funds. Shareholders will not be liable for the debts of the Company.

The Sub-Funds

The Company currently has five Sub-Funds:

- the Defensive Income Fund (PRN: 643953)
- the Cautious Growth Fund (PRN: 643952)
- the Balanced Fund (PRN: 643951)
- the Strategic Growth Fund (PRN: 643955)
- the Defensive Capital Fund (PRN: 643954)

Further Sub-Funds may be added in the future in accordance with the Company's Instrument of Incorporation, the Depositary and the Regulations. This Prospectus will be revised on the introduction of a new Sub-Fund or class of share within a Sub-Fund.

Each of the Sub-Funds has a segregated portfolio of assets and accordingly, the assets of a Sub-Fund belong exclusively to that Sub-Fund and shall not be used to discharge directly or indirectly the liabilities of or claims against any other person or body including the Company and any other Sub-Fund and shall not be available for any such purpose.

Whilst the provisions of the OEIC Regulations provide for segregated liability between Sub-Funds, these provisions are subject to the scrutiny of the courts and it is not free from doubt, in the context of claims brought by local creditors in foreign courts or under foreign law contracts, that the assets of a Sub-Fund will always be 'ring fenced' from the liabilities of other Sub-Funds of the Company.

The property attributable to the Sub-Funds is managed as if each fund belonged to the "UCITS scheme" category as specified in COLL. The Sub-Funds are operated separately and the property attributable to each Sub-Fund is managed in accordance with the investment objective and policy applicable to that Sub-Fund.

Subject to the terms set out in this Prospectus, holders of shares in a Sub-Fund are entitled to receive the net income derived from that Sub-Fund and to redeem their shares at a price linked to the value of the property of the relevant Sub-Fund.

3 INVESTMENT OBJECTIVES AND POLICIES

Investment of the assets of each of the Sub-Funds must comply with COLL and the investment objective and policy of the relevant Sub-Fund. Details of these investment objectives and policies are set out in Appendix 3. A detailed statement of the general investment and borrowing restrictions prescribed by COLL is set out in Appendix 1.

4 RISK FACTORS

Investors should bear in mind that all investment carries risk and the level of risk may vary between Sub-Funds. In particular investors should be aware of the following:

(a) Past performance is not a guide to the future. There can be no assurance that any appreciation in the value of the investments will occur. The value of shares and the income derived from them can go down as well as up and as a result the investor may not get back the amount originally invested. This can be as a result of market movements and also of variations in the exchange rates between currencies.

(b) The ACD's initial charge (as set out in relation to each Sub-Fund in Appendix 3) is deducted from an investment at the outset such that an equivalent rise in the value of the shares is required before the original investment can be recovered. The shares should therefore be viewed as a medium to long term investment.

(c) In certain circumstances for the purposes of efficient portfolio management (including hedging), as explained on page 53, or for investment purposes (in relation to certain Sub-Funds, see Appendix 3) the Company may enter into certain derivatives transactions, including, without limitation, forward transactions, futures and options, and other investments which may contain an embedded derivative component. The value of these investments may fluctuate significantly. By holding these types of investments there is a risk of capital depreciation in relation to certain Sub-Fund assets. There is also the potential for

capital appreciation of such assets. Where investments embedding a derivative is acquired for investment purposes, it is the ACD's intention that the volatility of such investments will not exceed the general market volatility of the investments underlying the derivative component of the same. **The ACD does not anticipate that the use of derivatives will have any significant effect on the risk profile of the Sub-Funds**.

(d) The summary of the UK tax treatment in section 26 is based on current law and practice which may change. It does not take into account particular circumstances which may affect the UK tax treatment. In particular the levels and bases of, and reliefs from, taxation will depend upon individual circumstances and may change.

(e) Defensive investment in cash and money market instruments, at times when relevant stock-market indices are rising, may constrain the growth of capital invested in a Sub-Fund.

(f) Investments may be made in assets denominated in various currencies and the movement of exchange rates may have a separate effect, unfavourable as well as favourable, on the gains and losses otherwise experienced on such investments.

(g) Where the investment objective of a Sub-Fund is to treat the generation of income as a higher priority than capital growth, or where the generation of income and capital growth have equal priority, all or part of the ACD's fee may be charged against capital rather than income. This will enhance income returns but may constrain future capital growth.

(h) Certain investment transactions may result in the payment of stamp duty reserve tax ("**SDRT**") by the Sub-Funds. Such payment may result in a diminution in value of the shares. Alternatively SDRT may be recovered by a charge levied in addition to the price of the shares when issued or deducted from the proceeds when the shares are sold.

(i) Where under the OEIC Regulations, each Sub-Fund is a segregated portfolio of assets, those assets can only be used to meet the liabilities of, or claims against, that Sub-Fund. Whilst the OEIC Regulations provide for segregated liability between Sub-Funds, the concept of segregated liability is relatively new. Accordingly, where claims are brought by local creditors in foreign courts or under foreign law contracts, it is not yet known whether a foreign court would give effect to the segregated liability and cross-investment provisions contained in the OEIC Regulations. Therefore, it is not possible to be certain that the assets of a Sub-Fund will always be completely insulated from the liabilities of another Sub-Fund of the Company in every circumstance. The Company may from time to time incur liabilities which are not attributable to a single Sub-Fund but relate to the general benefit of more than one Sub-Fund. Similarly, in the event two or more share classes are issued in respect of a Sub-Fund there will also be a risk of contagion between share classes.

(j) Investors are reminded that in certain circumstances their right to redeem shares (including a redemption by way of switching) may be suspended, and or deferred.

(k) The Defensive Capital Fund may invest in investment trusts. Such investment trusts have the ability to, or they may invest in issuers which, use gearing as an investment strategy. Gearing is a strategy used to enhance the return for, or the value of, a security without increasing the amount invested by the holders of the

security, involving one or more of the following: borrowing; or, investing in instruments (such as, but not limited to, derivatives or warrants) for which, or structuring the rights attached to securities so that, a relatively small movement in the value or price of the underlying rights or assets (whether favourable or adverse) results in a larger movement in the price or value of the instrument/security. The risks of investing in significantly geared investment trusts include: movements in the price of the securities/instruments being more volatile than the movements of the underlying investments; the investment being subject to sudden and large falls in value; and, the investor getting nothing back at all if there is a sufficiently large fall in value of the investment.

(l) The Sub-Funds may be subject to the risk that a settlement in a transfer system does not take place as expected because a counterparty does not pay or deliver on time as expected.

(m) The Sub-Funds may be subject to the risk that an issuer or counterparty will default.

(n) Investors should be aware that in certain circumstances there is a risk that assets in the Sub-Funds cannot be liquidated in a timely manner at a reasonable price

(o) Inflation can affect the value of your investment.

(p) There is no guarantee that the Sub-Funds will achieve their investment objectives.

(q) The value of the Sub-Funds may fall purely as a result of interest rates rising. This is because the level of income paid from bonds and government securities may become less attractive to investors and this will reduce the demand for bonds. This reduced demand for bonds and government securities could reduce the capital value of the relevant assets, and therefore the cash-in value of the relevant investment.

(r) A Sub-Fund that invests in a concentrated number of equities may experience a higher degree of volatility than a fund which invests in a more diverse portfolio of investments.

(s) The Sub-Funds may invest in overseas markets, which could include emerging markets. Investment in emerging markets may involve a higher than average risk due to the volatility of currency exchange rates, limited geographic focus, investment in a smaller number of issues, political and economic instability and relative liquid markets.

(t) If the Sub-Funds hold overseas investments, investors should note that exchange rate fluctuations can affect both the income and capital values of the Sub-Funds.

(u) The Sub-Funds may invest in other collective investment schemes and as such a Fund will bear its portion of the expenses of the other collective investment scheme, including management, performance and/or other fees. These fees will be in addition to the management fees and other expenses which a Fund bears directly with its own operations.

(v) Where a Sub-Fund invests in other collective investment schemes, these underlying schemes may suspend the issue, cancellation, sale, redemption and exchange of shares in those schemes. This would prevent these underlying

schemes being sold during the period of the suspension and may have liquidity implications for the Sub-Fund.

(w) The ACD may apply a dilution levy to investments or redemptions to/from the Sub-Funds (as explained further in section 15). Where a dilution levy is not applied the Fund in question may incur dilution which may constrain capital growth.

(x) There will be a variation in performance between Sub-Funds with similar investment objectives due to the different assets selected. The degree of risk depends on the risk profile of the Fund chosen.

(y) Fixed interest securities are particularly affected by trends in interest rates and inflation. If interest rates go up, the value of capital may fall, and vice versa. The value of a fixed interest security may fall in the event of a default or reduced credit rating of the issuer.

Risks associated with hedged share classes

(a) Gains or losses arising from currency hedging transactions are borne by the shareholders of the relevant hedged share class.

(b) All investors should note that, as there is no segregation of liabilities between the different share classes of a Sub-Fund, there is a risk that the settlement of currency hedging transactions or the requirement for collateral (if relevant) in relation to a hedged share class could have an adverse impact on the net asset value of the other share classes in issue.

(c) The ACD will undertake certain hedging transactions specifically to reduce the exposure of the hedged share classes to movements in the base currency of the Company, however these strategies will not completely eliminate the exposure of these share classes and no assurance can be given that the hedging objective will be achieved. Shareholders in hedged share classes may still be exposed to an element of currency exchange risk.

(d) Investors should be aware that there is a risk that the hedging strategy used by the ACD may limit holders of the hedged share classes from benefitting if the relevant hedged share class currency falls against the reference currency.

Typical Investor

The typical investor profile for each of the Sub-Funds is set out in Appendix 3.

5 THE AUTHORISED CORPORATE DIRECTOR

The authorised corporate director ("**ACD**") of the Company is Investment Fund Services Limited wholly owned subsidiary of Marlborough Group Holdings Limited. The ultimate holding company of the ACD is UFC Fund Management plc. The ACD is a private company limited by shares, incorporated in England and Wales on 16 February 2007 under the Companies Act 1985. The registered and head office of the ACD is at Marlborough House, 59 Chorley New Road, Bolton BL1 4QP. This is the address at which notices or other documents may be served on the Company. The amount of the ACD's issued and fully paid share capital is £10,000.

The ACD is authorised and regulated by the FCA. The ACD may provide investment services to other clients and funds and to companies in which the Company may invest in accordance with the Regulations.

The ACD is also the Authorised Corporate Director in respect of the schemes listed in Appendix 5.

The directors of the ACD are listed in Appendix 5.

The ACD provides its services to the Company under the terms of a service agreement (the "**ACD Agreement**"). The ACD Agreement will terminate with immediate effect if the ACD ceases to hold office as such. The ACD's appointment may be terminated by the Company in a general meeting at any time. Otherwise, save by reason of certain events of default as specified in the ACD Agreement, the Company may terminate the ACD's appointment on 12 months' notice. No such notice shall take effect until the appointment of a successor ACD. The ACD Agreement contains an indemnity from the Company to the ACD in respect of losses, claims and similar liabilities incurred by the ACD as such, save where such losses, claims and similar liabilities arise from the negligence, default, breach of duty or breach of trust of the ACD.

The ACD is responsible for managing and administering the Company's affairs in compliance with COLL. The ACD may delegate its management and administration functions, but not responsibility for such functions, to third parties, including associates subject to COLL. The ACD has delegated the investment management function to Brooks Macdonald Asset Management Limited. Further details in respect of the ACD's delegated functions are set out in sections 7 and 8 below. When managing investments of the Company, the ACD will not be obliged to make use of information which in doing so would be a breach of duty or confidence to any other person or which comes to the notice of an employee or agent of the ACD but properly does not come to the notice of an individual managing the assets of the Company.

Remuneration Policy

The ACD has put in place a remuneration policy (the "Remuneration Policy") that is in accordance with the requirements of SYSC 19 E of the FCA. The Remuneration Policy is designed to ensure that the ACD's remuneration practices are consistent with and promote sound and effective risk management, do not encourage risk taking and are consistent with the risk profile of the Funds. The ACD considers the Remuneration Policy to be appropriate to the size, internal operations, nature scale and complexity of the Funds and in line with the risk profile, risk appetite and the strategy of the Funds.

The matters covered by the Remuneration Policy include:

- An assessment of the individual member of staff's performance;
- restrictions on the awarding of guaranteed variable remuneration;
- the balance between fixed and variable remuneration;
- any payment of remuneration in the form of units or shares in the Funds;
- any mandatory deferral periods for the payment of some or all of the variable remuneration component;
- the reduction or cancellation of remuneration in the case of under performance.

The Remuneration Policy will apply to the fixed and variable (if any) remuneration received by the identified staff.

The ACD will make details of its latest Remuneration Policy available on its website, www.ifslfunds.com, including a description of how remuneration and benefits are calculated and the identity of the persons responsible for awarding the remuneration and benefits. The ACD will provide paper copies free of charge upon written request to its operating address.

In respect of any investment management delegates, the ACD requires that:(i) the entities to which such activities have been delegated are subject to regulatory requirements on remuneration that are equally as effective as those applicable under the European Securities and Market's (ESMA's) Guidelines on Sound Remuneration Policies under the UCITS Directive and AIFMD / Article 14 of the UCITS Directive; or (ii) appropriate contractual arrangements are put in place with entities to which such activities have been delegated in order to ensure that there is no circumvention of the remuneration rules set out in the ESMA Guidelines or the FCA Handbook.

6 THE DEPOSITARY

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

The Depositary's duties include the following:-

(a) Safekeeping the assets of the Company, which includes (i) holding in custody all financial instruments that can be physically delivered to the Depositary; and (ii) verifying the ownership of other assets and maintaining records accordingly;

(b) Ensuring that the Company's cash flows are properly monitored and verified;

(c) Ensuring that issues and cancellations of the shares of the Company are carried out in accordance with the Instrument of the Company, this Prospectus and the applicable laws and regulations;

(d) Ensuring that in transactions involving the Company's assets any consideration is remitted to the Company within the usual time limits;

(e) Ensuring that the value of the shares of the Company are calculated in accordance with the Instrument of the Company, this Prospectus and the applicable laws and regulations;

(f) Ensuring that the Company's income is applied in accordance with the Instrument of the Company, this Prospectus and the applicable laws and regulations; and

(g) Carrying out the instructions of the ACD, unless they conflict with the Instrument of the Company, this Prospectus or the applicable laws and regulations.

Registered Office and Head Office

The registered office and head office of the Depositary is 250 Bishopsgate, London, EC2M 4AA.

Principal Business Activity

The principal business activity of the Depositary is the provision of trustee and depositary services. The Depositary is authorised and regulated by the Financial Conduct Authority.

Terms of Appointment

The Depositary was appointed under a Depositary Agreement between the ACD, the Company and the Depositary (the "Depositary Agreement").

Under the Depositary Agreement, the Depositary will be liable to the Company for any loss of Financial Instruments held in Custody or for any liabilities incurred by the Company as a result of the Depositary's negligent or intentional failure to fulfil its obligations.

However, the Depositary Agreement excludes the Depositary from any liability except in the case of fraud, wilful default, negligence or failure to exercise due care and diligence in the performance or non-performance of its obligations. It also provides that the Company will indemnify the Depositary for any loss suffered in the performance or non-performance of its obligations except in the case of fraud, wilful default, negligence or failure to exercise due care and diligence on its part.

The Depositary Agreement may be terminated on three months' notice by the Company or the Depositary or earlier on certain breaches or the insolvency of a party. However, termination of the Depositary Agreement will not take effect, nor may the Depositary retire voluntarily, until the appointment of a new Depositary.

The powers, duties, rights and obligations of the Depositary, the Company and the ACD under the Depositary Agreement shall, to the extent of any conflict, be overridden by the FCA Rules.

The fees to which the Depositary is entitled are set out below under the heading "The Fees, Charges and Expenses of the Depository".

Delegation of Safekeeping Functions

The Depositary is permitted to delegate (and authorise its delegate to sub-delegate) the safekeeping of Scheme Property.

The Depositary has delegated safekeeping of the Scheme Property to BNP Paribas Securities Services, London Branch ("the Custodian"). In turn, the Custodian has delegated the custody of assets in certain markets in which the Scheme may invest to various sub-delegates ("Sub-Custodians").

A list of Sub-Custodians is set out in Appendix 6. Investors should note that the list of Sub-Custodian is updated only at each Prospectus review.

Conflicts of Interest

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

It is possible that the Depositary 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 Scheme or a particular Sub-fund and/or other funds managed by the ACD or other funds for which the Depositary acts as the depositary, trustee or custodian. The Depositary will, however, have regard in such event to its obligations under the Depositary 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 Shareholders collectively so far as practicable, having regard to its obligations to other clients.

Nevertheless, as the Depositary operates independently from the Company, Shareholders, the ACD and its associated suppliers and the Custodian, the Depositary does not anticipate any conflicts of interest with any of the aforementioned parties.

Updated Information

The ACD will supply a Shareholder with up-to-date details of the above information, including an up-to-date list of Sub-Custodians, on written request to its operating address.

7 INVESTMENT MANAGER

Brooks Macdonald Asset Management Limited is the investment manager to the ACD in relation to the Company. The Investment Manager is authorised and regulated by the FCA. Its principal activity is the provision of investment advisory services.

Pursuant to an agreement between the Investment Manager and the ACD (the "**Investment Management Agreement**"), the Investment Manager provides general discretionary investment management services in respect of the Sub-Funds. The Investment Manager has the authority to make decisions on behalf of the ACD in relation to the management, purchase, sale, retention, exchange or other dealings with assets, and has full discretion to make such investments on such markets as such times as the Investment Manager sees fit and otherwise to act as it shall deem appropriate, subject always to the provisions of the Instrument of Incorporation of the Company, this Prospectus, the Regulations and the investment objectives and policies of the Sub-Funds.

The Investment Management Agreement may be terminated:

(a) in part or in whole with immediate effect by the ACD giving written notice to the Investment Manager to expire at any time; or

(b) by the Investment Manager to the ACD on not less than 6 months' notice in writing to expire at any time, and may also be terminated with immediate effect where it is in the interests of the Shareholders to do so.

Under the Investment Management Agreement, with the prior written consent of the ACD, the Investment Manager may delegate to an associate the performance of its duties and services required to be performed by it under the Investment Management Agreement. The Investment Manager shall remain liable to the ACD for all matters so delegated.

8 ADMINISTRATOR AND REGISTRAR

The ACD is the Administrator of the Company and has not delegated the performance of this function.

9 THE AUDITORS

The auditors of the Company are Ernst & Young LLP, whose address is at Atria One, 144 Morrison Street,, Edinburgh EH3 8EX.

10 REGISTER

The register of Shareholders is maintained at Marlborough House, 59 Chorley New Road, Bolton BL1 4QP where it can be inspected by Shareholders during normal office hours. The Company has the power to close the register for any period or periods not exceeding thirty days in any one year.

11 NO LIABILITY TO ACCOUNT

Neither the ACD, Depositary nor any other person involved with the establishment and/or operation of the Company (which, for the avoidance of doubt, includes the Investment Manager)

are liable to account to each other or to the Shareholders or former Shareholders for any profits or benefits they may make or receive which are made, derived from or in connection with:

(a) dealings in the shares of the Company;

(b) any transaction in the underlying property of the Company; or

(c) the supply of services to the Company.

12 SHARES IN THE COMPANY

Under the Company's Instrument of Incorporation, the Company is currently permitted to issue the following share classes in respect of the Sub-Funds:

- gross accumulation shares;
- gross income shares;
- net accumulation shares;
- net income shares;
- limited issue shares of the classes specified above;

and for the avoidance of doubt each of the above may be further classified as Class A, Class B or Class C etc up to and including Class Z shares, Clean Shares, Institutional Class and Retail Class or under such other designation as the directors shall by resolution from time to time decide. In addition, each of the above may be denominated in currencies other than the base currency to form further Classes of share as the directors shall by resolution from time to time decide, and may bear different charges of whatever nature (initial, annual, exit or otherwise) as set out in this Prospectus from time to time. Further requirements as to the availability, minimum investment and/or minimum holding level requirements and any other restrictions on the sale, issue, transfer, redemption and/or switching of shares between Sub-Funds may also be set out in this Prospectus from time to time.

Appendix 3 sets out which shares are currently available in respect of each Sub-Fund.

Each share is deemed to represent one undivided unit of entitlement in the property of a Sub-Fund.

No bearer shares are issued.

Holders of income shares are entitled to be paid the distributable income attributable to such shares on any relevant interim or annual allocation dates.

Holders of accumulation shares are not entitled to be paid the income attributed to such shares, but that income is automatically transferred to (and retained as part of) the capital assets of the relevant Sub-Fund on the relevant interim and/or annual accounting dates. This is reflected in the price of an accumulation share.

As stated above the Instrument of Incorporation allows the Company to issue gross income and gross accumulation shares as well as net income and net accumulation shares. Net shares are shares in respect of which income allocated to them is distributed periodically to the relevant Shareholder (in the case of income shares) or credited periodically to capital (in the case of accumulation shares), in either case in accordance with relevant tax law, net of any tax deducted or accounted for by the Company. Gross shares are income or accumulation shares where, in

accordance with relevant tax law, distribution or allocation of income is made without any tax being deducted or accounted for by the Company.

If both income and accumulation shares are in existence in relation to a Sub-Fund, the income of that Sub-Fund is allocated as between income shares and accumulation shares according to the respective units of entitlement in the property of the relevant Sub-Fund represented by the accumulation shares and income shares in existence at the end of the relevant accounting period.

Where the Company has different share classes, each class may attract different charges and so monies may be deducted from the Scheme Property attributable to such classes in unequal proportions.

The rights attaching to the shares of all classes may be expressed in two denominations and, in each of these classes, the proportion of a larger denomination share represented by a smaller denomination share shall be ten thousandths of the larger denomination.

No certificates will be issued in respect of a holding of shares. Ownership of shares will be evidenced by an entry in the Company's register of Shareholders. Should any Shareholder require evidence of title to shares the ACD will, upon such proof of identity and the payment of such fee (if any) as the ACD may reasonably require, supply the Shareholder with a certified copy of the relevant entry in the register relating to the Shareholder's holding of shares.

Shareholders should notify the Registrar in writing of any change to their name or address.

Currency Hedged Share Classes

The Company may issue currency hedged share classes in order to offer investors the convenience of dealing in currencies other than the Company's base currency. Hedged share classes aim to provide the holders of such shares with a return correlated to the base currency performance of the Sub-Funds, by attempting to reduce the effect of exchange rate fluctuations between the base currency and the relevant hedged currency.

Share class hedging activity does not form part of the investment strategy of the Sub-Funds but is designed to reduce exchange rate fluctuations between the currency of the hedged share class and either the material currency exposures within the Sub-Fund's portfolio or against the base currency of the Company (i.e. Sterling).

How does the hedge work?

The ACD employs a currency overlay to hedge the Net Asset Value of the relevant share class, which is intended to reduce (but not eliminate) currency exposure between the base currency and the currency of the relevant share class. The ACD's strategy is for the Sub-Fund to purchase hedging instruments that are intended to offset the effect of exchange rate movements, typically forward currency exchange contracts. In summary:

- new purchases of hedged share are converted into the Sub-Fund's base currency using the spot rate at the valuation point of the relevant Dealing Day;

- the base currency exposure is then hedged back to the currency of the relevant hedged share class using forward currency contracts;

- the gains (or losses) of each currency hedge are included in the calculation of the NAV for the share class on the relevant Dealing Day and attributed to the capital account, however these gains/losses shall be unrealised (so effectively un-invested) until the contract is rolled (i.e. renewed);

- the hedging contracts should be rolled at least on a quarterly basis in order to crystallise any gains or losses. However, during periods of high market volatility, the hedging contracts might be rolled more often, hence crystallising any gains or losses more rapidly than would otherwise have been the case. This is intended to reduce (but not eliminate) a variation in returns between the Sub-Fund's hedged share classes and those share classes denominated in the base currency.

The hedging position will be reviewed on each Dealing Day (or on any other day on which a valuation of the scheme property of a Sub-Fund is carried out) and adjusted when there is a material change to the dealing volume of a Sub-Fund. Each hedged share class has a target hedge ratio of 100% of the relevant share class and a tolerance limit of +/- 2%. If, on any Dealing Day, the value of the relevant Sub-Fund moves outside of the tolerance limit, then the hedge position will be rebalanced to bring the hedge back within the target ratio (either by putting on an additional hedge position or closing-out part of the existing position). Investors should note that, although the ACD will typically look to hedge 100% of the NAV of the relevant hedged share class, the hedge may not always be 100% to avoid transaction costs for small deals.

As noted above, forward currency contracts (or other instruments that are intended to achieve a comparable result) will be used to hedge the total NAV (capital and revenue) of each hedged share class.

All gains and losses associated with forward currency contracts (or other instruments that are intended to achieve a comparable result) in respect of each hedged share class are allocated to capital only.

13 VALUATIONS

Each share linked to the Sub-Funds represents a proportional share of the overall property attributable to that Sub-Fund. Therefore, the value of a share attributable to the Sub-Funds is calculated, in broad outline, by calculating the Net Asset Value of the property attributable to that Sub-Fund, and dividing that value (or that part of that value attributed to shares of the class in question) by the number of shares (of the class in question) in issue.

Valuations are normally carried out on each Dealing Day. The valuation point for each Sub-Fund is 12.00 noon (UK time) on each Business Day.

The ACD may carry out additional valuations if it considers it desirable to do so. Valuations will not be made during a period of suspension of dealings (see "**Suspension of Dealings**" below). The ACD is required to notify the Depositary if it carries out an additional valuation.

Determination of Net Asset Value

The Scheme Property attributable to the Sub-Funds is, for all purposes, valued on the following basis (which is set out in full in the Company's Instrument of Incorporation):

- Units or shares in collective investment schemes will be valued at their quoted price if a single buying and selling price is quoted or if separate bid and offer prices are quoted, the average is calculated by reference to prices before application of any initial or exit charges. Where no price (or no recent price) exists or the ACD considers that the price obtained is unreliable, the asset concerned will be attributed a value which in the ACD's opinion is fair and reasonable.

- Exchange traded derivatives will be valued at their quoted price if a single price for buying and selling the exchange-traded derivative is quoted, or if a separate buying and selling price are quoted, at the average of the two prices.

- Over-the-counter derivative contracts will be valued in accordance with the method of valuation as shall have been agreed between the ACD and the Depositary.

- Any other investment will be valued at their quoted price (if a single buying and selling price is quoted) or if separate buying and selling prices are quoted, at the average of the two prices, or if, in the opinion of the ACD, the price is unreliable or no recent traded price is available or if the most recent price available does not reflect the ACD's best estimate of fair value, at a value which, in the opinion of the ACD, is fair and reasonable.

- Property other than that described above will be valued at what the ACD considers a fair and reasonable mid-market price.

- Cash and amounts held in current, margin and deposit accounts and other time-related deposits are valued at their nominal value.

- On valuing assets, any fiscal charges, commissions (where permitted under the FCA Handbook), professional fees or other charges paid or payable on the acquisition or disposal of the asset are excluded.

- In determining the value of the Scheme Property, all instructions given to issue or cancel shares shall be assumed (unless the contrary is shown) to have been carried out and any cash payment made or received and all consequential action required by the OEIC Regulations, COLL or the Company's Instrument of Incorporation shall be assumed (unless the contrary has been shown) to have taken place.

- Subject to the following paragraph, 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 ACD, their omission shall not materially affect the final net asset amount. All agreements are to be included under this paragraph which are, or ought reasonably to have been, known to the person valuing the property assuming that all other persons in the ACD's employment take all reasonable steps to inform it immediately of the making of any agreement.

- 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 the previous paragraph.

- An estimated amount for anticipated tax liabilities (on unrealised gains where the liabilities have accrued and are payable out of the Scheme Property; on realised capital gains in respect of previously completed and current accounting periods; and on income where liabilities have accrued) including (as applicable and without limitation) capital gains tax, income tax, corporation tax, value added tax, stamp duty and stamp duty reserve tax will be deducted.

- 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 will be deducted.

- The principal amount of any outstanding borrowings whenever payable and any accrued but unpaid interest on borrowings will be deducted.

- An estimated amount for accrued claims for tax of whatever nature which may be recoverable; any other credits or amounts due to be paid into the Scheme Property, and a

sum representing any interest or any income accrued due or deemed to have accrued but not received and any stamp duty reserve tax provision anticipated to be received, will be added.

- Currencies or values in currencies other than base currency or (as the case may be) the designated currency of a Sub-Fund 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 Shareholders or potential Shareholders.

The Sub-Funds have credited to them the proceeds of all shares attributed to it, together with the assets in which such proceeds are invested or reinvested and all income, earnings, profits, or assets deriving from such investments. All liabilities and expenses attributable to the Sub-Funds are charged to the relevant Sub-Fund.

The Company is required to allocate (and the ACD may from time to time reallocate) any assets, costs, charges or expenses which are not attributable to a particular Sub-Fund against all the Sub-Funds in a manner which is fair to the Shareholders generally.

Where the ACD has reasonable grounds to believe that:

(a) no reasonable price exists for a security at a valuation point; or

(b) the most recent price available does not reflect the ACD's best estimate of the value of a security at a valuation point,

it will value an investment at a price which, in its opinion, reflects a fair and reasonable price for that investment (the fair value price).

The circumstance which may give rise to a fair value price being used includes where there has been no recent trade in the security concerned or where there has been the occurrence of a significant event since the most recent closure of the market where the price of the security is taken.

14 PRICES OF SHARES

The Company deals on a forward pricing basis. A forward price is the price calculated at the next valuation of the Scheme Property after the purchase, redemption or switch of shares is agreed. Shares in the Company are "single priced". Investors should bear in mind that on purchase, the ACD's initial charge may be added to the price of a share or deducted from the investors proceeds and that any applicable redemption charge may be deducted from the price of a share on sale or from the sale proceeds. In addition, for both purchases and sales by investors, there may be a dilution levy as described below.

The price of a share is calculated at or about the valuation point each Dealing Day (to at least four significant figures) by:

- taking the value of the Scheme Property attributable to a Sub-Fund and therefore all shares (of the relevant class) in issue (on the basis of the units of entitlement in the Scheme Property of the Sub-Fund attributable to that class at the most recent valuation of that Sub-Fund); and

- dividing the result by the number of shares of the relevant class in issue immediately before the valuation concerned.

Publication of Prices

The most recent share prices are published on the following websites:

www.ifslfunds.com

www.fundlistings.com

Prices are also available by telephoning the ACD on 0808 178 9321.

The ACD is not responsible for any errors in publication or non-publication. As the ACD deals on a forward pricing basis the price that appears in these sources will not necessarily be the same as the one at which investors can currently deal.

15 DILUTION LEVY

What is 'dilution'? - Where a Sub-Fund buys or sells underlying investments in response to a request for the issue or redemption of shares, it will generally incur a cost, made up of dealing costs and any spread between the bid and offer prices of the investments concerned, which is not reflected in the issue or redemption price paid by or to the Shareholder and which is referred to as "dilution".

To mitigate the effects of dilution the ACD has discretion to charge a dilution levy based on historical data on the purchase or redemption of shares in a Sub-Fund. A dilution levy is a separate charge of such amount or rate as determined by the ACD. Any dilution levy must be fair to all Shareholders and potential Shareholders.

The ACD's policy regarding the Dilution Levy – At its absolute discretion, the ACD may charge a dilution levy on the price of shares in the following circumstances:

- where a Sub-Fund experiences a large level of net sales or redemptions on any Business Day, relative to its size (i.e. net sales or redemptions equivalent to greater than 2% of the Net Asset Value of the Sub-Fund);
- where a Sub-Fund is in continuing decline, in terms of Net Asset Value, as a result of poor market conditions or continual net redemptions; and/or
- on "large deals", which for this purpose is defined as a single purchase or redemption of shares equivalent to more than 2% of the Net Asset Value of the relevant Sub-Fund.

The amount is not retained by the ACD but is paid into the affected Sub-Fund.

How will it affect investors? - As dilution is directly related to the inflows and outflows of monies from the relevant Sub-Fund it is not possible to accurately predict whether dilution will occur at any point in time. Consequently it is also not possible to accurately predict how frequently the ACD will need to make such a dilution levy.

On the occasions when the dilution levy is not applied there may be an adverse impact on the total assets of the Sub-Fund. However, the ACD believes that the likely effect of not charging a dilution levy, excluding such cases referred to in "The ACD's policy regarding the Dilution Levy" above, will be negligible.

Further details of the dilution levy in relation to each Sub-Fund is set out in Appendix 3.

16 STAMP DUTY RESERVE TAX

The Stamp Duty Reserve Tax (SDRT) charge on the surrender of units / shares in UK based unit

trust schemes and open ended investment companies (OEICs) to the fund manager was abolished on 30 March 2014.

However, the SDRT charge will remain in relation to certain transactions:

- Third party transfers of shares

Where the transaction is handled by the ACD there will continue to be no principal SDRT charge. However, where transactions are not handled by the ACD (i.e. a third party transfer where only beneficial ownership of the shares change) then the principal SDRT charge on agreements to transfer will still technically apply at 0.5% or at the higher rate (1.5%) if transferred into depositary receipt arrangements or clearance services.

- Non-pro rata in specie redemptions

An additional revision was made to the legislation to make non-pro rata in specie redemptions subject to a principal SDRT charge rather than a schedule 19 charge.

There is no charge on a pro rata in specie redemption. A pro rata in specie redemption ensures that an investor redeems an equal and exactly proportionate stake of their investment in the scheme, however a non-pro rata in specie redemption does not and it is therefore deemed by HMRC that the investor is effectively acquiring new interests in chargeable securities and is hence subject to an SDRT charge.

17 ISSUE, REDEMPTION AND EXCHANGE OF SHARES

The ACD's own dealing

Requests for the purchase, redemption and exchange of shares are normally dealt with by the issue or cancellation of such shares by the Company. However, in certain circumstances, the ACD may deal with such requests by selling shares to and/or repurchasing them from the Applicant as appropriate. In other words, the ACD is entitled to hold shares for its own account and to satisfy requests for the sale of shares from its own holding (this is generally referred to as the ACD dealing from its "box"). The ACD is required to procure the issue or cancellation of shares by the Company where necessary to meet any obligations to sell or redeem shares. Shares will be issued, redeemed, sold or repurchased at the price calculated by reference to the valuation point following receipt of the request (on a forward basis).

The ACD may not sell a share at a higher price, or redeem a share at a lower price from its "box" (in both cases before application of any initial charge or dilution levy, or deduction of SDRT as applicable) than the price notified to the Depositary in respect of the valuation point concerned.

The ACD is under no obligation to account to the Company or to Shareholders or any of them for any profit it makes on the issue of shares or on the reissue or cancellation of shares which it has redeemed from its "box" and will not do so.

Issue

Applications

Subject to restrictions applicable to certain classes of shares, applications for shares linked to the Sub-Funds may be made by any person (the "**Applicant**"). Shares to satisfy an application received before the valuation point of the Sub-Funds (see "Valuations" for details of the valuation points) on a dealing day will be issued at a price based on that day's valuation and shares to satisfy an application received after the valuation point, or on a day which is not a dealing day, will be issued at a price based on the valuation made on the next dealing day.

Applications may be made by completing an application form and delivering it to the Registrar marked for the attention of Investment Fund Services Limted, Marlborough House, 59 Chorley New Road, Bolton BL1 4QP or by facsimile on 01204 533045. The ACD may also, at its sole discretion, accept instructions by telephone on 0808 164 5458 between 9.00am and 5.00pm on any Business Day on such terms as it may specify. The ACD does not currently accept initial applications for shares on the authority of electronic communications, however the ACD will accept electronic dealing instructions after application. The ACD may decide to accept initial applications via electronic communications in the future and will update this Prospectus with the conditions that must be satisfied to effect an electronic application accordingly.

Application forms are available from the ACD. Applications, however made, are irrevocable. Subject to its obligations under COLL, the ACD reserves the right to reject any application in whole or in part. In that event application monies or any balance will be returned to the Applicant by post at the Applicant's risk.

Applications will not be acknowledged but a contract note will be sent on or before the Business Day next following the relevant Dealing Day. Certificates will not be issued. Where the total price payable for all shares for which the application is made would include a fraction of one penny it will be rounded up or down to the nearest penny.

Payment in respect of applications must be received no later than the fourth Business Day after the relevant Dealing Day. However, the ACD reserves the right to request that payment in respect of applications be received prior to the relevant Dealing Day.

If an Applicant defaults in making any payment in money or transfer of property due to the ACD in respect of the sale or issue of shares, the Applicant shall indemnify the ACD and/or the Company (as the case may be) in respect of any loss or cost incurred by either of them as a result of such default and the Company is entitled to make any necessary amendment to the register and the ACD will become entitled to the shares in place of the Applicant (subject, in case of an issue of shares, to the ACD's payment of the purchase price to the Company). The ACD may in its discretion delay arranging for the issue of the shares until payment has been received.

Money laundering prevention

The Company is subject to the United Kingdom's anti-money laundering regulations and the ACD may in its absolute discretion require verification of identity from any person applying for shares including, without limitation, any Applicant who:

- tenders payment by way of cheque or banker's draft on an account in the name of a person or persons other than the Applicant; or
- appears to the ACD to be acting on behalf of some other person.

In the former case verification of the identity of the Applicant may be required. In the latter case, verification of the identity of any person on whose behalf the Applicant appears to be acting may be required.

Until satisfactory proof of identity is provided, the ACD reserves the right to refuse to issue shares, pay the proceeds of a redemption of shares, or pay income on shares to investors. In the case of a purchase of shares where the Applicant is not willing or is unable to provide the information request within a reasonable period, the ACD also reserves the right to sell the shares purchased and return the proceeds to the account from which the subscription was made. These proceeds may be less than the original investment. The ACD will not be liable for any share price movements occurring during delays while money laundering checks are carried out. The ACD or registrar may use external credit reference agencies to verify an Applicant’s identity and/or bank details. This will not have any effect on the Applicant’s credit history.

Deferred Redemption

Subject to COLL the ACD may refuse any application for the purchase of shares in the Company, or any request for redemption of shares in the Company, if it has reasonable grounds to do so. If requested redemptions in respect of a Sub-Fund at a valuation point exceed 10% of a Sub-Fund's value, the ACD may defer redemptions to the next valuation point in accordance with COLL and in accordance with procedures that ensure the consistent treatment of Shareholders who have sought to redeem at that valuation point. The procedures are that to the extent redemption requests are deferred, deferral will be pro-rata based on the value of shares being redeemed (provided that the ACD may determine in its discretion a value threshold below which all redemptions will be effected, and above which the foregoing pro-rata deferral shall apply) and that all deals relating to an earlier valuation point are completed before those relating to a later valuation point.

In Specie Application

The ACD may, by special arrangement and at its discretion, agree to arrange for the issue of shares in exchange for assets other than cash but only if the Depositary is satisfied that acquisition of the assets in exchange for the shares to be issued is not likely to result in any material prejudice to the interests of Shareholders or potential Shareholders of the Sub-Fund concerned.

Minimum Purchase

Different classes of shares in each Sub-Fund may operate minimum values for the initial and subsequent purchase of shares. Further details of these investment minima are set out in Appendix 3. However, the ACD may, by special arrangement and at its discretion, either agree on an individual basis a lower amount in relation to the minimum value requirements, or waive such requirements at its discretion.

The ACD may also offer a "Regular Savings Plan" in respect of certain classes of shares (see Appendix 3), whereby shares can be purchased monthly, the settlement for which is collected via direct debit. The minimum value of shares purchased in one single transaction under a Regular Savings Plan is set out in Appendix 3.

Redemption

Shares in each Sub-Fund may be redeemed on any Dealing Day. Dealings are on a forward price basis as explained in the paragraph headed "Prices of Shares" above. Shares to be redeemed pursuant to a redemption request received before the valuation point of the relevant Sub-Fund on a Dealing Day will be redeemed at a price based on that day's valuation and shares to be redeemed pursuant to a redemption request received after that time, or on a day which is not a Dealing Day, will be redeemed at a price based on the valuation made on the next Dealing Day. Redemption instructions may be given by delivery to the Registrar of written instructions for redemption by letter marked for the attention of Investment Fund Services Limited, Marlborough House, 59 Chorley New Road, Bolton BL1 4QP or by fax to 01204 533045. Redemption instructions given by fax must be confirmed in writing to the ACD prior to redemption proceeds being remitted. Redemption instructions may be given by telephone on 0808 164 5458 between 9.00am and 5.00pm on any Business Day. Redemption instructions given by telephone must be confirmed in writing to the ACD prior to redemption proceeds being remitted, except in instances where a coverall agreement is already in place for the account. Redemption instructions are irrevocable.

A redemption contract note will be sent on or before the next Business Day following the relevant Dealing Day. Where the total consideration for the transaction would include a fraction of one penny it will be rounded up or down to the nearest penny. There may also be deducted, if the consideration is to be remitted abroad, the cost of remitting the proceeds (if any). If a redeeming Shareholder wishes to be paid other than by cheque, the ACD will endeavour to arrange this but

at the cost of the Shareholder. The redemption proceeds will be paid not later than the close of business on the fourth Business Day after the later of the following times:

(a) the valuation point immediately following the receipt by the ACD of the request to redeem the shares; or

(b) the time when the ACD has received all duly executed instruments and authorisations which effect (or enable the ACD to effect) transfer of title to the shares.

But neither the Company nor the ACD is required to make payment in respect of a redemption of shares where the money due on the earlier issue of those shares has not yet been received or where the ACD considers it necessary to carry out or complete identification procedures in relation to the holder or another person pursuant to a statutory, regulatory or European Community obligation (such as the Money Laundering Regulations 2007).

In Specie Redemption

Where a Shareholder requests redemption of a number of shares equivalent to 5% or more of the NAV of the relevant Sub-Fund, the ACD at its discretion may, by serving a notice of election on the Shareholder not later than the close of business on the second Business Day following the day of receipt of the request, elect that the Shareholder shall not be paid the redemption price of his or her shares but instead there shall be a transfer to that holder of property of the relevant Sub-Fund having the appropriate value. Where such a notice is so served on a Shareholder, the Shareholder may serve a further notice on the ACD not later than the close of business on the fourth Business Day following the day of receipt by the Shareholder of the first mentioned notice requiring the ACD, instead of arranging for a transfer of property, to arrange for a sale of that property and the payment to the Shareholder of the net proceeds of that sale.

The selection of Scheme Property to be transferred (or sold) is made by the ACD in consultation with the Depositary. The Depositary may pay out of the Scheme Property assets other than cash for the redemption of shares in a Sub-Fund only if the Depositary has taken reasonable care to ensure that the Scheme Property concerned would not be likely to result in any material prejudice to the interests of Shareholders or potential Shareholders of the Sub-Fund concerned. The Company may retain out of the Scheme Property to be transferred (or the proceeds of sale) property or cash of value or amount equivalent to any SDRT to be paid in relation to the cancellation of the shares.

Minimum Redemption and Holding

In respect of each share in each Sub-Fund, if the redemption request is in respect of only some of the shares held, there is a minimum value of the shares which may be the subject of redemption. Further details of the minimum redemption value for each Sub-Fund are set out in Appendix 3. Where the value of an individual holding of shares would, in consequence of a request for redemption/cancellation, fall below the minimum holding amount in respect of a Sub-Fund (as set out in Appendix 3), such request may be treated as a request for redemption/ cancellation of all the shares held by such Shareholder.

The value of shares for this purpose is calculated by reference to the current price. However the ACD may, by special arrangement on a case by case basis and at its discretion, agree a lower amount in relation to the minimum redemption size.

With regard to Regular Savings Plans the minimum values shown above will only apply where regular monthly contributions have been discontinued.

18 SWITCHING AND CONVERSIONS

Conversions

A Shareholder is entitled to convert shares in one class in a Sub-Fund for shares in a different class, of the same currency, in the same Sub-Fund subject to the investment minima set out in this Prospectus.

Share class conversions will not be possible between different currency share classes from 23rd October 2017.

Conversions will be effected by the ACD recoding the change of share class on the register of the Company.

If a Shareholder wishes to convert shares he or she should apply to the ACD in the same manner as for a sale as set out in section 17 above.

Conversions will be effected at the next valuation point. The ACD or registrar will notify Shareholders once the conversion has been effected.

In certain circumstances the ACD may mandatorily convert a Shareholder's investment from one share class into another share class. The ACD will only undertake such a conversion where the proposed share class has identical or preferential terms and the ACD will provide Shareholders with no less than 60 days' notice.

Conversions will not generally be treated as a disposal for capital gains tax purposes and no stamp duty reserve tax will be payable usually on the conversion.

There is no fee on a conversion between classes of the same Sub-Fund.

Switches

Shareholders are entitled to exchange shares in one Sub-Fund for shares in a different Sub-Fund.

Instructions for switching shares may be given in writing to the Registrar marked for the attention of Investment Fund Services Limited, Marlborough House, 59 Chorley New Road, Bolton BL1 4QP.

The right to exchange is subject to the following:

- the ACD and the Depositary are not obliged to give effect to a request for exchange of shares if the value of the shares to be exchanged is less than the minimum permitted transaction (see above) or if it would result in the Shareholder holding shares of any class of less than the minimum holding for that class of share (see above);

- the ACD may decline to permit an exchange into a Sub-Fund in respect of which there are no shares in issue, or in any case in which they would be entitled under COLL to refuse to give effect to a request by the Shareholder for the redemption of shares of the old class or the issue of shares of the new class.

- the ACD will not allow switches between Sub-Funds within different currency share classes from 23rd October 2017.

It should also be noted that Class C Shares are only available for purchase by the Investment Manager, clients of the Investment Manager or otherwise at the discretion of the ACD.

Exchanges between classes of shares linked to different Sub-Funds may be subject to a charge (See "Switching Charge" below).

In no circumstances will a Shareholder who exchanges shares in one class of shares for shares in any other class be given a right by law to withdraw from or cancel the transaction.

It should be noted that an exchange of shares in a Sub-Fund for shares in any other Sub-Fund is treated as a redemption and issue and will, for persons subject to UK taxation, be regarded as a realisation for the purposes of capital gains taxation which may give rise to a liability to tax depending on the Shareholder's circumstances.

Application

A Shareholder wishing to exchange shares should apply in the same way as for a redemption (see above). An exchange to be made pursuant to a request received before the valuation point of the Sub-Fund concerned on a day which is a Dealing Day for that Sub-Fund (or, if the valuation points on that day differ, before the first to occur) will be effected at prices based on that day's valuation; where a request is received after that time, or on a day which is not a Dealing Day for the Sub-Fund, the exchange will be effected at a price based on the valuation made on the next such Dealing Day.

A contract note giving details of the exchange will be sent on or before the Business Day next following the relevant Dealing Day.

19 SUSPENSION OF DEALINGS

The ACD may with the prior agreement of the Depositary, and must without delay, if the Depositary so requires, temporarily suspend the issue, cancellation, sale, redemption and exchange of any shares in a Sub-Fund ("dealing") where due to exceptional circumstances it is in the interests of all Shareholders in the Sub-Fund.

The ACD and the Depositary must ensure that the suspension is only allowed to continue for so long as it is justified having regard to the interests of the Shareholders. On suspension, the ACD, or the Depositary (if the Depositary has required the ACD to suspend dealings), will immediately inform the FCA stating the reason for the suspension and as soon as practicable give written confirmation of the suspension and the reasons for it to the FCA.

The ACD will notify Shareholders of the suspension as soon as practicable after suspension commences, drawing Shareholders' particular attention to the exceptional circumstance(s) which resulted in the suspension in a manner that is clear, fair and not misleading, and will inform Shareholders of how to obtain further information regarding the suspension with a view to keeping Shareholders appropriately informed. The ACD shall publish on its website and/or by other general means, sufficient details to keep Shareholders appropriately informed about the suspension including, if known, its likely duration.

During a suspension none of the obligations in COLL 6.2 (Dealing) apply; and the ACD shall comply with as much of COLL 6.3 (Valuation and pricing) as is practicable in the light of the suspension. The suspension of dealings in shares must cease as soon as practicable after the exceptional circumstances which led to the suspension have ceased.

The ACD and the Depositary shall 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 provided to the FCA in respect of the reasons for the suspension.

The ACD shall inform the FCA of the proposed restart of dealing in shares and immediately after the restart shall confirm this by giving notice to the FCA.

The ACD may agree, during the suspension, to deal in shares 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 restart of dealing in shares, provided that if the ACD operates limited redemption arrangements, and the event leading to the suspension of dealing has affected a valuation point, the ACD shall declare an additional valuation point as soon as possible after the restart of dealing in shares.

The provisions relating to suspension of dealings can only apply to one or more classes of shares without being applied to other classes within the Sub-Fund, if it is in the interest of all the Shareholders.

20 MANDATORY REDEMPTION OF SHARES

If the ACD reasonably believes that any shares are owned directly or beneficially in circumstances which:

(a) 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;

(b) may (or may if other shares are acquired or held in like circumstances) result in the Company incurring any liability to taxation or suffering any other adverse consequence (including a requirement to register under any securities or investment or similar laws or governmental regulation of any country or territory); or

(c) are held in any manner by virtue of which the Shareholder or Shareholders in question is/are not qualified to hold such shares or if it reasonably believes this to be the case,

it may give notice to the holder of such shares requiring him or her to transfer them to a person who is qualified or entitled to own them, or to request the redemption of the shares by the Company. If the holder does not either transfer the shares to a qualified person or establish to the ACD's satisfaction that he or she and any person on whose behalf he or she holds the shares are qualified and entitled to hold and own them, he or she will be deemed on the expiry of a thirty-day period to have requested their redemption.

Where the ACD decides to close a share class in any of the Funds, the ACD may mandatorily redeem a shareholder's investment. The ACD will provide shareholders with no less than 30 days' notice prior to the redemption.

21 DISTRIBUTION

The annual accounting period for the Company and the Sub-Funds ends on 31st May (the "accounting reference date"). The half-yearly accounting period ends on 30th November (the "interim accounting reference date").

In respect of the Sub-Funds, allocations and, if relevant distributions of income, will be made on the final and, if applicable, interim allocation dates each year. Details of the income allocation dates of each Sub-Fund are set out in Appendix 3.

Distribution statements and tax certificates will be sent to Shareholders. Payments will be made by bank automated credit system. Cheques will not be sent. Where an investor's bank details are not known or are inaccurate, accumulation shares will be purchased, where available, otherwise any income from income shares will be reinvested.

Where relevant, any distributions unclaimed for a period of six years after having become due for payment shall be forfeited and shall revert to become part of the capital property of the relevant Sub-Fund for the benefit of all Shareholders. The payment of any unclaimed distribution, interest or other sum payable by the Company on or in respect of a share into a separate account shall not constitute the Company a trustee thereof.

Determination of Distributable Income

As at the end of each annual accounting period, the ACD must arrange for the Depositary to transfer the income available for distribution attributable to the Sub-Funds to the distribution account.

In this context, income available for distribution generally means all sums considered by the ACD, in each case after consultation with the Company's auditors, to be in the nature of income received or receivable for the account of and in respect of the property attributable to the Sub-Funds, but excluding any amount (if any) for the time being standing to the credit of the distribution account.

The ACD need not comply with the above provisions if the average of the allocations of income to the Shareholders of the Sub-Funds would be less than £10 or such other amount agreed between the ACD and the Depositary. In that case, such amounts may be carried forward to the next accounting period and will be regarded as received at the start of that period. Otherwise, such sums may be credited to capital as determined by the ACD.

On or before each annual income distribution date, the ACD must calculate the amount available for income distribution for the immediately preceding annual accounting period and must inform the Depositary of such amount.

The amount available for income distribution is calculated by taking the aggregate of the income property received or receivable for the account of the Sub-Funds in respect of the relevant period, deducting the charges and expenses of the Company paid or payable out of the income property in respect of that period and adding the ACD's best estimate of any relief from tax on those charges and expenses. Further adjustments may be made as the ACD considers appropriate (after consultation with the auditors) in relation to taxation and the proportion of the prices received or paid for shares that relate to income (taking account of any provisions in the Instrument of Incorporation constituting the Company relating to income equalisation), potential income which is unlikely to be received until 12 months after the relevant allocation date, income which should not be accounted for on an accrual basis because of lack of information about how it accrues, any transfer between the income and the capital account (regarding payments from capital or income) and making any other adjustments which the ACD considers appropriate (after consultation with the auditors).

In relation to income shares, on or before each relevant income distribution date, the ACD will instruct the Depositary to enable it to distribute the income allocated to income shares among the holders of such shares and the ACD in proportion to the number of such shares held, or treated as held, by them respectively at the end of the relevant period.

The amount of income allocated to accumulation shares becomes part of the capital property and to the extent that shares of any other class (such as income shares) were in issue in relation to the relevant period, the interests of holders of accumulation shares in that amount must be satisfied by an adjustment at the end of the relevant period in the proportion of the Scheme Property to which the price of an accumulation share is related. This ensures that the price of an accumulation share remains unchanged despite the transfer of income to capital property.

In calculating the amount to be distributed, the ACD must deduct and carry forward in the income account such amount as is necessary to adjust the allocation of income to the nearest one hundredth of a penny per share or such lesser fraction as the ACD may determine.

22 INCOME EQUALISATION

An allocation of income (whether annual or interim) to be made in respect of each share issued or sold by the ACD during an accounting period in respect of which that income allocation is made may include a capital sum ("income equalisation") representing the ACD's best estimate of the amount of income included in the price of that share.

The amount of income equalisation in respect of any share may be the actual amount of income included in the issue price of the share in question or it may be an amount arrived at by taking the aggregate of the ACD's best estimate of the amounts of income included in the share price of shares of that class issued or sold in the annual or interim accounting period in question and dividing that aggregate by the number of those shares and applying the resultant average to each of the shares in question.

Equalisation applies only to shares purchased during the relevant accounting period.

23 THE AUTHORISED CORPORATE DIRECTOR'S CHARGES

The price per share at which shares are bought, redeemed or switched is calculated in accordance with the Regulations. Any initial charge or redemption charge is payable in addition to the price or deducted from the proceeds and is taken from the gross subscription or redemption monies.

Initial Charge

The ACD may impose a charge payable by the Shareholder on the issue of shares (the "initial charge"). The initial charge is deducted from the investment proceeds at the outset and is calculated as a percentage of the price of a Share. The current initial charges applicable to the share classes are set out in Appendix 3 in respect of each Sub-Fund.

The ACD may waive or discount the initial charge at its discretion.

If at any time the current initial charge applicable to shares of a particular Sub-Fund is increased, the ACD is required to give not less than 60 days' prior notice in writing to all Shareholders before such increase may take effect. The ACD is also required to revise the Prospectus to reflect the new current rate and the date of its commencement.

The initial charge is exclusive of VAT which shall, if applicable, be payable in addition.

Redemption Charge

The ACD currently makes no charge on a redemption of shares although the ACD is permitted to charge a dilution levy and/or SDRT provision if applicable (as explained above). The ACD has the right to introduce a charge on redemption of shares in the future (subject to COLL), but this will not affect shares issued prior to its introduction.

Switching Fee

The ACD is entitled to make a charge in respect of a switch of shares in one Sub-Fund for shares in another Sub-Fund (the "Switching Fee"). The Switching Fee will be equal to the initial charge (see above) in respect of the class of shares being switched into, and will be deducted from the proceeds of sale of the shares being switched from. A dilution levy and/or an SDRT provision may be charged where a switch is from one Sub-Fund to another (see sections 15 and 16 above for the ACD’s policy on Dilution Levy and SDRT).

The Switching Fee is exclusive of VAT which shall, if applicable, be payable in addition.

Annual Management Charge

The ACD is entitled to an annual charge which accrues daily and is payable monthly. The charge for each day is calculated by reference to the value of the Sub-Fund on the preceding day and is payable out of the property attributable to the Sub-Fund. It is paid within seven days of the month end. The annual charge is payable by the Company from the Scheme Property attributable to the Sub-Fund and is paid to the ACD by way of remuneration for its duties and responsibilities to the Company as ACD. The charge is calculated separately in relation to each share linked to the Sub-Fund as a percentage rate per annum of the total value of the units of entitlement in the property of the Sub-Fund on the relevant valuation date.

The current annual management charges in respect of the share classes are set out in Appendix 3 in respect of each Sub-Fund.

The annual management charge is exclusive of VAT which shall, if applicable, be payable in addition. Any increase in the above rates requires not less than 60 days' prior notice in writing to the Shareholders before such increase may take effect. Also, the ACD is required to revise the Prospectus to reflect the new current rate and the date of its commencement.

The first accrual will be in respect of the period from the day on which the first valuation of the Sub-Funds is made to the end of that month and is based upon the first valuation point. The annual management charge will cease to be payable (in relation to a Sub-Fund) on the date of commencement of its termination, and (in relation to the Company as a whole) on the date of the commencement of its winding up or, if earlier, the date of the termination of the ACD's appointment as such. The amount(s) accruing due on the last relevant valuation date before the event concerned will be adjusted accordingly.

Currency Hedged Share Class Charges

All costs (including any gains and losses) associated with operating hedging transactions for any currency hedged share class will be borne by the Shareholders of such share class.

The ACD is also entitled to charge a fee for the additional administration of these share classes. Such fees shall be borne by the Shareholders in these share classes in the form of a fixed hedging administration fee.

The current fixed hedging administration fee in respect of these share classes is £3,000 per share class. The fixed hedging administration fee is exclusive of VAT which shall, if applicable, be payable in addition. The fee will accrue daily and is payable monthly within seven days of the month end. The fee will commence accrual from the day on which the first valuation of the share class is made.

Any increase in the above fee requires not less than 60 days' prior notice in writing to the Shareholders in these share classes before such increase may take effect. Also, the ACD is required to revise the Prospectus to reflect the new rate and the date of its commencement.

24 THE FEES, CHARGES AND EXPENSES OF THE DEPOSITARY

The Depositary receives for its own account a periodic fee plus VAT which will accrue daily based on the value of the Funds on the immediately preceding day and is payable as soon as practicable after the month end (and in any event within seven days after the month end). The first accrual is calculated by reference to the first valuation point of the Sub-Fund. The fee is payable out of the property attributable to the Funds.

The rate of the periodic fee is agreed between the ACD and the Depositary and in relation to each Sub-Fund is subject to a minimum fixed amount of £7,500 per annum. Subject to this minimum, the charge is otherwise calculated on a sliding scale for the Sub-Fund on the following basis:

- 0.0275% per annum of the first £50 million of the scheme property;
- 0.025% per annum of the next £150 million of the scheme property;
- 0.02% per annum of the next £50 million of the scheme property;
- 0.0175% per annum of the balance.

These rates can be varied from time to time in accordance with the Regulations.

The first accrual in relation to any Sub-Fund will take place in respect of the period beginning on the day on which the first valuation of that Sub-Fund is made and ending on the last Business Day of the month in which that day falls.

In addition to the periodic fee referred to above, the Depositary shall also be entitled to be paid transaction and custody charges in relation to transaction handling and safekeeping of the Scheme Property as follows:

Item	**Range**
Transaction Charges	£10 to £70
Custody Charges	0.01% to 0.7%

These charges vary from country to country depending on the markets and the type of transaction involved. Transaction 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 the last Business Day of the month when such charges arose or as otherwise agreed between the Depositary and the ACD. Custody charges accrue and are payable as agreed from time to time by the ACD and the Depositary.

Where relevant, the Depositary may make a charge for (or otherwise benefit from) providing services in relation to: distributions, the provision of banking services, holding money on deposit, lending money, or engaging in stock lending or derivative transactions, in relation to the Fund and may purchase or sell or deal in the purchase or sale of Scheme Property, provided always that the services concerned and any such dealing are in accordance with the provisions of the Regulations.

The Depositary will also be entitled to payment and reimbursement of all costs, liabilities and expenses properly incurred in the performance of, or arranging the performance of, functions conferred on it by the Instrument of Incorporation, the Regulations or by the general law.

On a winding up of a Sub-Fund the Depositary will be entitled to its *pro rata* fees, charges and expenses to the date of winding up, the termination, or the redemption (as appropriate) and any additional expenses necessarily realised in settling or receiving any outstanding obligations.

Any VAT on any fees, charges or expenses payable to the Depositary will be added to such fees, charges or expenses.

In each such case such payments, expenses and disbursements may be payable to any person (including the ACD or any associate or nominee of the Depositary or of the ACD) who has had the relevant duty delegated to it pursuant to the Regulations by the Depositary.

25 OTHER PAYMENTS OF THE COMPANY

The following expenses (being the actual amounts incurred together with any VAT payable thereon) may also be payable by the Company out of its assets at the discretion of the ACD:

- broker's commissions (where permitted under the FCA Handbook), fiscal charges and other disbursements which are necessarily incurred in effecting transactions for the Company and normally shown on contract notes, confirmation notes and difference accounts as appropriate;

- interest on borrowings permitted under the Instrument of Incorporation and this Prospectus and all charges incurred in negotiating, entering into, varying, carrying into effect with or without variation, maintaining and terminating the borrowing arrangements;

- taxation and other duties payable in respect of the property of the Company and its Sub-Funds, the Instrument of Incorporation or the issue of shares;

- any costs in modifying the Instrument of Incorporation, the Prospectus or the Key Investor Information Documents of the Company, including costs incurred in respect of meetings of Shareholder convened for the purpose, where the modification is:

  - necessary to implement any change in the law including changes to the regulations); or

  - necessary as a direct consequence of any change in the law including changes to the Regulations); or

  - expedient having regard to any fiscal enactment and which the ACD and the Depositary agree is in the interest of Shareholders; or

  - to remove obsolete provisions from the Instrument of Incorporation, the Prospectus or Key Investor Information Documents of the Company;

- any costs incurred in respect of any other meeting of Shareholders convened on a requisition by holders not including the ACD or an associate of the ACD in relation to a scheme of arrangement where the property of a body corporate (such as an investment company) or of another collective investment scheme is transferred to the Company in consideration of the issue of shares in the Company to Shareholders in that body corporate or to participants in that other scheme, and any liability arising after the transfer which, had it arisen before the transfer could properly have been paid out of that other property provided the ACD is of the opinion that proper provision was made for meeting such liabilities as were known or could reasonably have been anticipated at the time of the transfer;

- the expenses of the Depositary in convening a meeting of Shareholders convened by the Depositary alone;

- any audit fees of the Auditor and VAT thereon, and any proper expenses of the auditor;

- any fees and any proper expenses of any professional advisers retained by the Company or by the Company in relation to the ACD;

- the cost of printing and distributing literature required or necessary for the purpose of complying with COLL, the OEIC Regulations, the FCA's conduct of business rules or any other law or regulation, (excluding the cost of dissemination of the Key Investor Information Documents);

- the costs of printing and distributing annual, half yearly and quarterly reports and any other reports or information provided for Shareholders;

- any costs of listing the prices of the Sub-Funds in publications and information services selected by the ACD;

- the fees and any proper expenses of any professional advisers incurred by the ACD and the Depositary in relation to the establishment of the Company and its Sub-Funds;

- the fees of the Registrar for providing administration services for the Sub-Funds and maintaining the register. The current charge is £10 per annum per Shareholder;

- the Registrar will also maintain sub-registers in respect of New Individual Savings Account entitlements. The fees for maintaining the sub-registers will be equivalent to those shown above;

- the fees of the FCA under Schedule I, Part III of the Act or the corresponding periodic fees of any regulatory authority in a country or territory outside the United Kingdom in which shares in the Company are or may be marketed;

- any sum due by virtue of any provision of COLL such as cancellation proceeds and reasonable stock lending expenses;

- VAT in respect of any of the costs, expenses, fees and charges payable by the Company; and

- any other charges/expenses that may be taken out of the Scheme Property in accordance with COLL.

Set-up Costs

Subject to COLL, the ACD and the Depositary will seek reimbursement (in one or more tranches) of set-up costs incurred in relation to the authorisation and establishment of the Company, its Sub-Funds and any new Sub-Funds.

Treatment of charges

Expenses not directly attributable to a particular Sub-Fund will be allocated between the Sub-Funds pro rata to Net Asset Value of the Sub-Funds in a manner which is fair to the Shareholders. In each such case such expenses and disbursements may also be payable if incurred by any person (including the ACD or an associate or nominee of the Depositary or of the ACD) who has had the relevant duty delegated to it pursuant to COLL by the Depositary.

Expenses may be payable out of the capital property or the income property of the Sub-Funds at the discretion of the ACD. Charges made to the capital property may constrain capital growth.

Charges to Capital

In relation to any of the Sub-Funds, all or part of the remuneration of the ACD may be treated as a capital charge, which may result in a constraint of capital growth. The maximum amount of the charge which may be so treated for each Sub-Fund is the annual charge payable to the ACD for

that Sub-Fund, as detailed in Appendix 3. In relation to any of the Sub-Funds, subject to and in accordance with COLL, all or part of the charges and expenses of the Company may be treated as a capital charge if agreed by the ACD and the Depositary.

The ACD's standard policy is to charge all expenses, except those that are capital in nature, to the income accounts of the individual Sub-Funds. However, where a Sub-Fund has an objective of producing income, or a combination of income and capital growth, some or all of the ACD's annual charges may be charged against the capital account of the individual Sub-Funds. For the Company the current policy is set out in Appendix 3 in relation to each Sub-Fund.

26 TAXATION

THE FOLLOWING SUMMARY IS BASED ON CURRENT ENGLISH LAW AND HM REVENUE & CUSTOMS' PRACTICE. THE RELEVANT FISCAL RULES, INCLUDING LEVELS AND BASES OF, AND RELIEFS FROM, TAXATION, THEIR INTERPRETATION AND HM REVENUE & CUSTOMS' PRACTICE, MAY CHANGE IN THE FUTURE.

IT IS INTENDED TO OFFER SOME GUIDANCE TO CERTAIN CLASSES OF PERSON (NOT BEING DEALERS IN SECURITIES) ON THE UK TAXATION OF THE COMPANY AND ITS SHAREHOLDERS. IT SHOULD NOT BE REGARDED AS DEFINITIVE OR EXHAUSTIVE LEGAL OR TAX ADVICE AND PROSPECTIVE INVESTORS SHOULD SEEK THEIR OWN PROFESSIONAL ADVICE ON THE TAXATION AND EXCHANGE CONTROL CONSEQUENCES OF INVESTING IN THE COMPANY. IF PROSPECTIVE INVESTORS ARE IN ANY DOUBT AS TO THEIR TAXATION POSITION, THEY SHOULD CONSULT THEIR PROFESSIONAL ADVISER.

IN PARTICULAR, THIS SUMMARY DOES NOT TAKE ACCOUNT OF PARTICULAR INVESTORS' INDIVIDUAL CIRCUMSTANCES, DOES NOT ADDRESS THE TAXATION CONSEQUENCES FOR INVESTORS WHO MAY BE SUBJECT TO TAXATION OR EXCHANGE CONTROLS IN A JURISDICTION OTHER THAN THE UK AND DOES NOT ADDRESS INVESTORS FALLING INTO PARTICULAR CATEGORIES (SUCH AS LIFE INSURANCE COMPANIES OR EMPLOYEES OF ENTITIES CONNECTED TO THE COMPANY) WHICH MAY BE SUBJECT TO SPECIAL RULES.

Taxation of the Company

The UK tax regime applicable to the Company is primarily set out in chapter 2 part 13 Corporation Tax Act 2010 and in the Authorised Investment Funds (Tax) Regulations 2006 SI 2006/964 (as amended) (the "Tax Regulations"). Each Sub-Fund is regarded as a separate taxable entity in its own right, and the Company as a whole is not so regarded.

Income

Each Sub-Fund is treated as a company and consequently will be liable to corporation tax on its taxable income less deductible amounts including its allowable expenses of management. Corporation tax will be payable at a special rate applicable to authorised investment funds which is the basic rate of income tax (currently 20%) for the tax year beginning in that financial year on any taxable income after deducting management expenses, charges and the gross amount of any interest distributions. Where an accounting period of a Sub-Fund falls into two financial years for which different tax rates apply, there will be an apportionment of income between those years for tax purposes.

If, for an accounting period, allowable management expenses exceed a Sub-Fund's taxable income then that Sub-Fund generates a tax loss for that period.

The Sub-Funds will not generally be subject to corporation tax on any dividends or other distributions received from UK or non-UK resident companies on or after 01 July 2009 (and were exempt from UK corporation tax on such amounts paid by UK resident companies prior to that date). Dividend distributions or yearly interest distributions received by a Sub-Fund from other authorised investment funds (broadly UK OEICs and authorised unit trusts) will be taxed on that Sub-Fund in accordance with the corporate streaming rules or the loan relationships rules respectively. These rules are described in the Taxation of the Shareholder section below.

Income and gains from overseas sources may be taxed in the jurisdiction of the source as well as in the UK.

Chargeable gains

As authorised investment funds, the Sub-Funds will not be subject to UK corporation tax on chargeable gains arising on the disposal of their investments, nor will they be entitled to corporation tax relief on losses which are treated as capital in nature (with the exception of gains from investments in non-reporting offshore funds which are chargeable to corporation tax as income).

The Sub-Funds will not be subject to corporation tax on any profits or gains (or be entitled to corporation tax relief for any losses) which they derive from their creditor loan relationships or their derivative contracts, to the extent that those profits, gains or losses are treated as "capital profits, gains or losses". Capital profits, gains or losses for this purpose are those profits, gains or losses arising from such creditor loan relationships or derivative contracts which fall to be dealt with under the heading "net capital gains/losses" in the Sub-Fund's statement of total return for the accounting period in question.

Stamp taxes

There is no specific exemption from stamp duty or stamp duty reserve tax ("SDRT") for authorised investment funds such as the Company. Consequently, the Company will be liable to pay such taxes as normal when it purchases underlying investments.

Broadly speaking, stamp duty is paid on a transaction involving stock or marketable securities, and the rate is 0.5% of the value of the consideration given for such stock or securities. SDRT is paid on an agreement to transfer chargeable securities, and the rate is 0.5% of the value of the consideration given in money or money's worth.

The Company may incur similar taxes in another jurisdiction if it carries out transactions involving that jurisdiction.

Taxation of the Shareholder

Income

Dependent upon the nature of the income arising to each Sub-Fund, the total amount available for distribution to Shareholders may be shown in the distribution accounts of that Fund either as available for distribution as a dividend or as available for distribution as yearly interest.

A Sub-Fund can only make distributions as yearly interest where more than 60% of its investments by market value are "qualifying investments". "Qualifying investments" broadly means interest-bearing securities, money placed at interest and investments in authorised unit trusts or OEICs which themselves have more than 60% of their investments in qualifying investments.

It is not the ACD's intention to manage the assets attributable to the Sub-Funds such that distributions are regarded as yearly interest distributions. It is therefore expected that the Sub-Funds will show all amounts as available for distribution as dividends.

Taxation of UK resident individual Shareholders and other Shareholders, such as trustees, within charge to UK income tax in respect of dividend distributions

The Company will generally make dividend distributions which broadly reflect any income arising from its investments. Dividend distributions by the Company are made without deduction of income tax. The first £2,000 of dividend distributions received by individual investors in any tax year are not subject to income tax. Dividend distributions received in excess of this amount should be reported on the individual investor's Self Assessment Tax Return. For distribution amounts in excess of £2,000 in any tax year, individual investors liable to income tax at the basic rate will have an additional liability to income tax equal to 7.5% of the dividend distribution to the extent that such sum, when treated as the top slice of his income, falls above the threshold for basic rate tax. Higher rate taxpayers will have a further liability to income tax equal to 32.5% of the dividend distribution to the extent that such sum, when treated as the top slice of his income, falls above the threshold for higher rate tax. Additional rate taxpayers will have a further liability to income tax equal to 38.1% of the dividend distribution to the extent that such sum, when treated as the top slice of his income, falls above the threshold for the additional rate of tax.

Taxation of UK resident corporate Shareholders and other Shareholders within charge to UK corporation tax in respect of dividend distributions

Dividend distributions received by corporate shareholders chargeable to UK corporation tax will need to be streamed into 'franked' and 'unfranked' income according to the underlying gross income of the Company.

In broad terms, the portion treated as being 'franked' will be such proportion of the Company's total income (brought into account when determining the distribution for the period in question) which consists of dividend income received which is treated as exempt under Part 9A of CTA 2009. The 'franked' portion will be treated as exempt dividend income when received by a UK resident corporate shareholder (unless the shareholder is treated as a dealer in securities for tax purposes). The 'unfranked' portion will be treated as an annual payment from which income tax at a rate of 20% has been deducted. A UK resident corporate shareholder will, therefore, be subject to corporate tax at the rate applicable to that corporate shareholder but with credit for the income tax deducted. Such shareholders may, therefore, be liable to further tax and any ability to claim repayment of the income tax credit will be limited to the corporate shareholder's share of the Company's liability to corporation tax for the distribution period in question.

Taxation of other Shareholders in respect of dividend distributions

Dividend distributions will be made gross to shareholders who are not UK resident. Non resident shareholders who are individuals are not liable to UK income tax on the dividend distribution. Non-UK resident shareholders are recommended to seek professional advice as to the tax consequences of receiving a dividend distribution under the law of the jurisdiction of their residence.

Non resident trusts may be chargeable to UK income tax on distributions made by the Company and are recommended to seek professional advice.

Chargeable Gains

As mentioned in more detail below, Shareholders may, depending on their circumstances, be liable to capital gains tax or corporation tax on chargeable gains arising from a disposal of any

shares. For these purposes, a disposal includes a sale or redemption of shares. Proceeds on the redemption of shares are paid to Shareholders without deduction of such tax.

An exchange of shares in one Sub-Fund for shares in any other Sub-Fund ("switching") will be treated as a disposal and acquisition for those purposes. An exception to this rule applies where two funds merge with a result that one fund ceases to exist. Usually, in these circumstances shares in the new fund will be treated as having been acquired at the same time and for the same amount as the shares in the old fund. In addition, switching between classes within a Sub-Fund should not give rise to a liability to tax.

For accumulation shares, income accumulated and on which income tax or corporation tax on income has been paid can generally be added to the allowable cost of those accumulation shares when computing the amount of any gain.

UK resident or ordinarily resident individual Shareholders and Shareholders who are UK resident trustees in respect of chargeable gains

Capital gains made by individual Shareholders who are resident in the UK for tax purposes on the sale, disposal or as a result of any other chargeable event will be tax free if they fall within an individual's annual capital gains exemption. For the tax year 2019/2020, the first £12,000 of an individual's chargeable gains (that is after deduction of allowable losses) from all sources will, therefore, be exempt from capital gains tax. Subject to their personal circumstances, gains in excess of this amount are taxed at 10% for basic rate taxpayers and 20% for higher and additional rate taxpayers.

UK resident corporate Shareholders and other Shareholders within charge to UK corporation tax in respect of chargeable gains

For Shareholders within the charge to UK corporation tax, the corporation tax treatment on a disposal of their shares in a Sub-Fund differs according to whether more than 60% of the market value of the investments of the Sub-Fund in question are invested in are "qualifying investments". "Qualifying investments" broadly means interest-bearing securities, money placed at interest and investments in authorised unit trusts or OEICs which themselves have more than 60% of their investments in qualifying investments.

It is not the ACD's intention to manage the assets attributable to the Sub-Funds such that more than 60% of the market value of the investments are invested in qualifying investments.

On that basis, where a Shareholder within the charge to UK corporation tax makes a gain on a disposal of shares in the Company, that gain after deduction of any allowable losses and indexation relief should be treated as a chargeable gain. Accordingly the Shareholder should be charged to corporation tax on that chargeable gain (provided, in the case of a non-resident Shareholder carrying on a trade in the UK through a permanent establishment, the shares disposed of were held for the purposes of such trade or such permanent establishment). Capital gains made by Shareholders liable to UK corporation tax will be taxable at the corporation tax rate applicable to that corporate Shareholder after taking account the availability of any indexation relief. The main rate of corporation tax is currently 19%.

Taxation of other Shareholders in respect of chargeable gains

Shareholders who are non UK resident will not normally be liable to UK tax on capital gains arising on a sale, disposal or other chargeable event unless the shareholding is connected with a trade carried on by the Shareholder through a UK branch or agency or certain anti-avoidance provisions relating to temporary non-UK residence apply

Income Equalisation

Since the Sub-Funds operate income equalisation, the first allocation made after the acquisition of the shares may include a sum ("equalisation") representing that part of the acquisition price of the shares which was attributable to income accrued up to the time of acquisition.

This is treated for the purposes of UK income tax, UK corporation tax and UK capital gains tax as a refund of capital rather than a receipt of income.

As such it is not liable to UK tax on income. It should however be deducted from the cost of the shares when computing the base cost for any chargeable gain realised on the subsequent disposal of the shares. This is the case regardless of whether the shares in question are accumulation shares or income shares, and despite the fact that for accumulation shares the equalisation amount is re-invested.

A Shareholder who sells shares part way through a distribution period will receive a price which includes an equalisation element. This equalisation element is taxable as income in the normal way.

Other UK tax considerations

A number of special rules may apply under the Tax Regulations in circumstances where the authorised investment fund in question does or does not meet a "genuine diversity of ownership" condition. It is not currently anticipated that the Company will satisfy such condition, with the effect that the Company will not benefit from the ability to elect to be a "tax elected fund" or to be exempt from UK corporation tax in respect of all transactions involving permitted investments. As the Company is not a qualified investor scheme, its UK tax position should, however, not be adversely affected by a failure to satisfy this condition.

In addition, it is not expected that the Company or any Sub-Fund will be treated as a "fund investing in non-reporting offshore funds" under the Tax Regulations.

There is the possibility that future changes to the law will be made making wider changes to the taxation of authorised investment funds which may impact on both the Company and Shareholders.

EU Savings Directive

The European Union Directive on taxation of savings income in the form of interest payments (2003/48/EC) (the "EU Savings Directive") provides that "paying agents" established in a member state of the EU (or certain prescribed dependent or associated territories of member states) which pay "savings income" to individuals or residual entities resident in another member state (or, depending on the state in which the paying agent is established, possibly also to individuals and certain entities resident in the prescribed dependent or associated territories) are obliged, depending on the state in which the paying agent is established, either to disclose details of the payment and payee to taxation authorities or to withhold tax from the payment.

For the purposes of the UK's implementation of the EU Savings Directive, the proceeds of a sale, refund or redemption of shares in the Company and/or the proceeds represented by a distribution from the Company may be classed as "savings income". Sale, refund or redemption proceeds will be savings income if more than 25% of the Company's assets are invested in money-debts. Distribution proceeds will be savings income if more than 15% of the Company's assets are invested in money-debts.

Under the UK's implementation of the EU Savings Directive, where savings income is paid by a paying agent established in the UK to an individual or residual entities resident in another member state or prescribed territory, the paying agent is obliged to disclose details of the payment to the HM Revenue & Customs. The identity of the relevant paying agent depends on how a

Shareholder purchases and holds shares. For investors who purchase shares directly, the paying agent is likely to be the ACD.

Consequently, it may be necessary or desirable for the Company, the ACD or any other person or entity connected to the Company to collect certain additional information from Shareholders or to take other action connected to the EU Savings Directive to enable disclosures to be made to tax authorities or, where applicable, tax to be withheld.

Inheritance Tax

Shares held in any of the Sub-Funds will generally form part of an individual's estate and will therefore potentially be subject to inheritance tax (IHT). Shares held by trustees are potentially subject to special rules which may charge IHT periodically.

IHT is chargeable on the death of a person, on gifts made within the seven years before an individual's death and (immediately) on gifts to most types of trusts. The rate of tax is 0% up to a cumulative nil-rate limit (currently £325,000 from 6th April 2011). The excess is charged at 20% where the tax is charged during an individual's lifetime and 40% if the tax is charged on or by reference to the individual's death. Where tax is charged both during lifetime and again on death by reference to the same transfer, credit is given for the lifetime tax suffered.

For these purposes gifts may include transfers at less than full market value unless the transferor can show that there was no gratuitous intent.

For individual Shareholders who are neither domiciled in the UK nor (by virtue of long-residence here) deemed to be domiciled in the UK, shares held in any of the Sub-Funds are likely to be treated as excluded property. The same treatment is likely to apply to shares held by a trust established by an individual who was, at the time the trust was established, neither domiciled nor deemed domiciled in the UK.

NISAs

It is intended that shares in the Company will satisfy the eligibility requirements to be qualifying investments for a stocks and shares NISA.

27 REPORTS AND ACCOUNTS

The annual accounting period of the Company ends on 31st May.

The annual report of the Company (the "long report") will be published on or before 30th September and the half-yearly long report on or before 31st January in each year. Copies of these long reports are available on our website at www.ifslfunds.com. Alternatively copies can be obtained free of charge from the ACD at its operating address or by calling 0808 178 9321. These reports may also be inspected at the Depositary's office during normal office hours.

28 ANNUAL GENERAL MEETING

The OEIC Regulations allow for the Company to dispense with the requirement to hold annual general meetings. The ACD has therefore decided that the Company will not hold annual general meetings. Shareholders will therefore only be entitled to exercise their voting rights at extraordinary general meetings of the Company.

29 VOTING

The convening and conduct of Shareholder's meetings and the voting rights of Shareholders at those meetings are governed by the Company's Instrument of Incorporation and COLL, which are summarised below.

Notice and Quorum

Entitlement to receive notice of a particular meeting or adjourned meeting and to vote at such a meeting is determined by reference to entitlement to:

(a) those persons who are holders of shares in the Company on the date a reasonable time before the notice is sent; or

(b) in respect of shares which are participating securities (as defined in the Uncertificated Securities Regulations 1995), those persons who are entered on the register at a time determined by the ACD (and stated in the notice) not more than 48 hours before the time fixed for the meeting; but

(c) in respect of Shareholders with registered shares, excluding any persons who are known not to be holders at the time of the meeting.

Shareholders will be given at least 14 days' prior notice of a general meeting.

The quorum for a meeting is two Shareholders present in person or by proxy or (in the case of a corporation) by a duly authorised representative. If a quorum is not present within half an hour of the time appointed the meeting will (if requisitioned by Shareholders) be dissolved and in any other case will be adjourned to such day and time not being less than seven days thereafter. If at such adjourned meeting a quorum is not present within 15 minutes from the appointed time, one person entitled to count in a quorum will be a quorum.

Voting Rights

At a meeting of Shareholders, on a show of hands every Shareholder who (being an individual) is present in person or by proxy or, if a corporation, is present by a properly authorised representative, has one vote. On a poll votes may be given either personally or by proxy and the voting rights attached to a share are such proportion of the total voting rights attached to all shares in issue as the price of the share bears to the aggregate price of shares in issue on the cut-off date. A Shareholder entitled to more than one vote need not, if he or she votes, use all his or her votes or cast all the votes he or she uses in the same way. A vote will be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by the chairman, by the Depositary or by two Shareholders present or by proxy.

An instrument appointing a proxy may be in any usual or common form or in any other form approved by the ACD. It should be in writing under the hand of the appointor or his attorney or, if the appointor is a corporation, either under the common seal, executed as a Deed or under the hand of a duly authorised officer or attorney. A person appointed to act as a proxy need not be a holder.

A corporation, being a Shareholder, may by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of Shareholders and the person so authorised is entitled to exercise the same powers on behalf of the corporation which he represents as the corporation could exercise if it were an individual Shareholder.

In the case of joint Shareholders the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint Shareholders and for

this purpose seniority is determined by the order in which the names stand in the register of Shareholders.

Except where either COLL or the Instrument of Incorporation of the Company require an extraordinary resolution (which needs 75% of the votes cast at the meeting to be in favour if the resolution is to be passed), any resolution required by COLL will be passed by a simple majority of the votes validly cast for and against the resolution (an ordinary resolution).

The ACD is entitled to attend any meeting but, except in relation to third party shares, is not entitled to vote or be counted in the quorum and any shares it holds are treated as not being in issue for the purpose of such meeting. An associate of the ACD is entitled to attend any meeting and may be counted in the quorum, but may not vote except in relation to third party shares. For this purpose third party shares are shares held on behalf of or jointly with a person who, if himself the registered Shareholder, would be entitled to vote, and from whom the ACD or the associate (as relevant) has received voting instructions.

Meetings and Modifications

The convening and conduct of meetings of Shareholders and the voting rights of Shareholders at such meetings is governed by the rules contained in COLL, as amended from time to time. The requirement for a meeting depends on the proposed change to the Sub-Fund.

Changes to a Sub-Fund may fall within one of the following three categories:

- Fundamental events which change the purpose or nature of the Sub-Fund or the basis on which the Shareholder invested, for example changes to an investment objective, its risk profile or something that would cause material prejudice to the investors would require investor approval.

- Significant events are those which would materially affect a Shareholder's investment, affect a Shareholder's ability to exercise his or her rights in relation to his or her investment, result in material increased payments out of the Sub-Fund, or could reasonably be expected to cause Shareholders to reconsider their participation in the Sub-Fund. Those should be notified pre-event to Shareholders and in sufficient time to enable them to leave the Sub-Fund, if they wish, before the change takes effect. 60 days' minimum notice is required for these changes. Notifiable events for which the ACD would decide when and how the Shareholders should be notified, depending on the type of event. In these cases notification could be after the event. This may take the form of the sending of an immediate notification to Shareholders or the information being included in the next annual report of the company.

Powers of a Shareholders' Meeting

The ACD must, by way of an extraordinary resolution (i.e. a resolution notified and proposed as such and passed by a majority of not less than three-quarters of the votes validly cast), obtain prior approval from the Shareholders (or, where applicable, class of Shareholders) for any proposed change to the Company or any of its Sub-Funds which, in accordance with COLL, is a fundamental change. Such a fundamental change is likely to include:

- certain changes to the investment objective and policy of the Sub-Funds;

- the removal of the ACD; and/or

- any proposal for a scheme of arrangement.

Other provisions of the Company's Instrument of Incorporation and the Prospectus may be changed by the ACD without the sanction of a Shareholders' meeting in accordance with the COLL.

30 INVESTMENT AND BORROWING POWERS

A description of the types of property the Company may invest in subject to the objective and policy of the Sub-Funds and a summary of the applicable limits is set out in Appendix 1. A list of the eligible securities and derivatives markets is set out in Appendix 2.

31 TRANSFER OF SHARES

A Shareholder is entitled (subject to as mentioned below) to transfer shares by an instrument of transfer in any usual or common form or in any other form approved by the ACD. The ACD is not obliged to accept a transfer if it would result in the Shareholder, or the transferee, holding less than the minimum holding of shares of the class in question. The instrument of transfer, duly stamped if it is required to be stamped, must be lodged with the ACD for registration. The transferor remains the Shareholder until the name of the transferee has been entered in the register.

The Company or the ACD may require the payment of such reasonable fee as the ACD and the Company may agree for the registration of any grant of probate, letters of administration or any other documents relating to or affecting the title to any share.

32 WINDING UP OF THE COMPANY AND TERMINATION OF SUB-FUNDS

The Company may be wound up under chapter 7.3 of COLL or as an unregistered company under Part V of the Insolvency Act 1986. Winding up of the Company or termination of a Sub-Fund under COLL is only permitted with the approval of the FCA and if a statement has been lodged with the FCA by the ACD confirming that the Company or the relevant Sub-Fund (as appropriate) will be able to meet all its liabilities within twelve months of the date of the statement (a "solvency statement").

Subject to the foregoing, the Company or a Sub-Fund will be wound up or terminated (as appropriate) under COLL:

- if an extraordinary resolution of Shareholders of either the Company or the relevant Sub-Fund (as appropriate) to that effect is passed; or
- on the date stated in any agreement by the FCA in response to a request from the ACD for the winding up of the Company or a request for the termination of the relevant Sub-Fund.

The ACD may request that a Sub-Fund be terminated in certain situations such as if, at any time after the first anniversary of the issue of the first shares linked to a Sub-Fund, the Net Asset Value of the Scheme Property attributable to such Sub-Fund is less than £10 million.

The winding up of the Company or termination of a Sub-Fund under COLL is carried out by the ACD which will, as soon as practicable, cause the property of the Company or that property attributable to the Sub-Fund to be realised and the liabilities to be met out of the proceeds. Provided that there are sufficient liquid funds available after making provision for the expenses of winding up and the discharge of the liabilities of the Company or a Sub-Fund (as the case may be) the ACD may arrange for interim distribution(s) to be made to Shareholders. When all liabilities have been met, the balance (net of a provision for any further expenses) will be distributed to Shareholders. The distribution made in respect of a Sub-Fund will be made to the Shareholders linked to that Sub-Fund, in proportion to the units of entitlement in the Scheme Property of that Sub-Fund which their shares represent.

Shareholders will be notified of any proposal to wind up the Company or terminate any of the Sub-Funds. On commencement of such winding up or termination the Company will cease to issue and cancel shares and transfers of such shares shall cease to be registered.

On completion of the winding up of the Company, the Company will be dissolved and any money (including unclaimed distributions) standing to the account of the Company will be paid into court within one month of dissolution.

33 OTHER INFORMATION

Delegation

The ACD and the Depositary, subject to exceptions specified in the COLL, may retain (or arrange for the Company to retain) the services of other persons to assist them in the performance of their respective functions and, in relation to certain functions, the ACD or the Depositary (as applicable) will not be liable for the actions of the persons so appointed provided certain provisions of the COLL apply.

Conflicts of Interest

The FCA rules contain various requirements relating to transactions entered into between the Company and the ACD, the Investment Manager, or any associate of them which may involve a conflict of interest. These are designed to protect the interests of the Company and its Shareholders. Certain transactions between the Company and the ACD, or an associate of the ACD, may be voidable at the instance of the Company in certain circumstances.

The ACD has in place a conflicts policy which identifies potential conflicts which constitute or may give rise to a conflict of interest that may have an adverse impact upon the interests of the Company, and the procedures which will be followed in order to prevent or manage such conflicts.

The Depositary or any associate of the Depositary, may (subject to COLL) hold money on deposit from, lend money to, or engage in stock lending transactions in relation to the Company, so long as the services concerned are provided on arm's length terms.

The Depositary, the ACD, or the Investment Manager or any associate of any of them may sell or deal in the sale of property to the Company or purchase property from the Company provided the applicable provisions of the COLL apply and are observed.

Subject to compliance with COLL the ACD and any of its associates may be party to or interested in any contract, arrangement or transaction to which the Company is a party or in which it is interested.

The ACD and the Investment Manager (and other companies within their respective groups) may, from time to time, act as managers to other funds or sub-funds which follow similar investment objectives to that of the Fund. It is therefore possible that the ACD and/or Investment Manager may in the course of their business have potential conflicts of interest with the Company or the Fund. The Depositary may act as the depositary of other open-ended investment companies and as trustee or custodian of other collective investment schemes.

The Depositary, the ACD, or the Investment Manager or any associate of any of them will not be liable to account to the Company or any other person, including the holders of Shares or any of them, for any profit or benefit made or derived from or in connection with:

(a) their acting as agent for the Company in the sale or purchase of property to or from a Fund;

(b) their part in any transaction or the supply of services permitted by COLL; or

(c) their dealing in property equivalent to any owned by (or dealt in for the account of) the Company.

The ACD 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 Company or its Shareholders will be prevented. Should any such situations arise the ACD will disclose these to Shareholders in an appropriate format.

Liability and Indemnity

With the exception mentioned below:

- the ACD, the Depositary and the Auditors are each entitled under the Instrument of Incorporation of the Company to be indemnified against any loss, damage or liability incurred by them in or about the execution of their respective powers and duties in relation to the Company; and

- the ACD and the Depositary are, under the terms of their respective agreements with the Company, exempted from any liability for any loss or damage suffered by the Company.

The above provisions will not, however, apply in the case of:

- any liability which would otherwise attach to the ACD, the Auditors and the Depositary in respect of any negligence, wilful default, breach of duty or breach of trust in relation to the Company;

- any liability on the part of the Depositary for any failure to exercise due care and diligence in the discharge of its functions.

Rebate of Fees and Commission

The ACD may at its sole discretion rebate its initial, or periodic charges in respect of any application for, or holding of, shares. Similarly the Company may rebate or waive its charges in relation to any exchange of shares. A proportion of the initial charge may be rebated to the introducer (the Shareholder's financial intermediary) in the form of commission payment (where permitted under the FCA Handbook). The investor should check with the intermediary the amount of commission he or she has received.

34 GENERAL

Market Timing

The ACD does not permit the Sub-Funds to be used for the purposes of 'market timing'. For this purpose market timing is defined as a trading strategy with the intention of taking advantage of short term changes in market prices. The ACD will undertake monitoring activities to ensure that market timing is not taking place in any of the Sub-Funds.

Complaints

Any complaint should be referred to the ACD at its registered office. If a complaint cannot be resolved satisfactorily with the ACD it may be referred to the Financial Ombudsman Service, Exchange Tower, London, E14 9SR. More details about the Financial Ombudsman Service are available from the ACD.

Cancellation Rights

A notice of an Applicant's right to cancel the agreement to purchase shares will be forwarded, where this is required by rules made under the Act.

When the investment is a lump sum investment (or the first payment, being larger than the second payment, in a regular payment savings plan) an Applicant who is entitled to cancel and does so will not get a full refund of the money paid by him if the purchase price of the shares falls before the cancellation notice is received by the ACD, because an amount equal to such fall (the "shortfall") will be deducted from the refund he or she would otherwise receive. Where the purchase price has not yet been paid the Applicant will be required to pay the amount of the shortfall to the ACD. The deduction does not apply where the service of the notice of the right to cancel precedes the entering into of the agreement. Cancellation rights must be exercised by posting a cancellation notice to the ACD on or before the 14th day after the date of receipt of the notice of the right to cancel.

The address for service on the Company of notices or other documents required or authorised to be served on it is Marlborough House, 59 Chorley New Road, Bolton BL1 4QP.

Notices, Remittances or Service of Other Documents

All documents and remittances are sent at the risk of the Shareholder.

All notices or documents required to be served on Shareholders shall be served by first class post to the name and address of such Shareholder as evidenced on the register and in the case of joint Shareholders, to the first mentioned on the register.

The Financial Services Compensation Scheme

The Financial Services Compensation Scheme has been established under the rules of the FCA as a "rescue fund" for certain clients of firms authorised and regulated by the FCA which have gone out of business. The ACD will supply a Shareholder with further details of the scheme on written request to its operating address. Alternatively, Shareholders can visit the scheme's website at www.fscs.org.uk or by writing to the Financial Services Compensation Scheme, PO Box 300, Mitcheldean, GL17 1DY.

Documents and information available

Copies of the following documents are available for all Shareholders on request from the ACD at Marlborough House, 59 Chorley New Road, Bolton BL1 4QP.between 9 a.m. and 5 p.m.:

- latest version of the Prospectus;
- latest version of the Instrument of Incorporation which constitutes the Company and the Sub-Funds (a fee is charged for copies of the Instrument of Incorporation);
- latest annual and half-yearly long reports applying to the Sub-Funds;
- supplementary information relating to the quantitative limits which apply to the risk management of the Company and the Sub-Fund, the methods used for the purposes of

such risk management and any recent developments which relate to the risk and yields of the main categories of investment which apply to the Company and the Sub-Funds; and

- the ACD Agreement.

The above documents are also available for inspection on any Business Day during normal business hours at the offices of the ACD.

Appendix 1

Investment and Borrowing Powers

The Company may exercise the full authority and powers permitted by COLL applicable to a UCITS Scheme. However, this is subject to the applicable investment limits and restrictions set out in COLL, the Company's Instrument of Incorporation and this Prospectus. The Company may exercise, in respect of the Sub-Funds, the full authority and powers permitted by COLL applicable to UCITS schemes subject to the relevant Sub-Fund's investment objective and policy.

Transferable securities

The Company and the Sub-Funds may invest in transferable securities. For the purposes of COLL a transferable security is an investment which is either a share, debenture, a government and public security, a warrant or a certificate representing certain securities.

The Company and the Sub-Funds may invest in transferable securities which fulfil the following criteria:

- the potential loss which the Company and the Sub-Funds may incur with respect to holding the transferable security is limited to the amount paid for it;
- its liquidity does not compromise the ability of the ACD to comply with its obligation to redeem units or shares at the request of any qualifying Shareholder;
- reliable valuation is available for the transferable securities as follows:
    - in the case of a transferable security admitted to or dealt in on an eligible market, where there are accurate, reliable and regular prices which are either market prices or prices made available by valuation systems independent from issuers;
    - in the case of a transferable security not admitted to or dealt in on an eligible market, where there is a valuation on a periodic basis which is derived from information from the issuer of the transferable security or from competent investment research;
- appropriate information is available for the transferable security as follows:
    - in the case of a transferable security admitted to or dealt in on an eligible market, where there is regular, accurate and comprehensive information available to the market on the transferable security or, where relevant, on the portfolio of the transferable security;
    - in the case of a transferable security not admitted to or dealt in on an eligible market, where there is regular and accurate information available to the ACD on the transferable security or, where relevant, on the portfolio of the transferable security;
- it is negotiable; and
- its risks are adequately captured by the risk management process of the ACD.

Unless there is information available to the ACD that would lead to a different determination, a transferable security which is admitted to or dealt in on an eligible market shall be presumed not to compromise the ability of the ACD to comply with its obligation to redeem Shares at the request of any qualifying Shareholder; and to be negotiable.

Closed end funds constituting transferable securities

A unit in a closed end fund shall be taken to be a transferable security for the purposes of investment by the Company and the Sub-Funds, provided it fulfils the criteria for transferable securities set out above, and either:

- where the closed end fund is constituted as an investment company or a unit trust:
    - it is subject to corporate governance mechanisms applied to companies; and
    - where another person carries out asset management activity on its behalf, that person is subject to national regulation for the purpose of investor protection; or
- where the closed end fund is constituted under the law of contract:
    - it is subject to corporate governance mechanisms equivalent to those applied to companies; and
    - it is managed by a person who is subject to national regulation for the purpose of investor protection.

Transferable securities linked to other assets

The Company and the Sub-Funds may:

(1) invest in any other investment which shall be taken to be a transferable security for the purposes of investment by a UCITS scheme provided the investment:

(a) fulfills the criteria for transferable securities set out in COLL 5.2.7A R; and

(b) is backed by or linked to the performance of other assets, which may differ from those in which a UCITS scheme can invest.

(2) Where an investment in (1) contains an embedded derivative component (in accordance with COLL 5.2.19 R (3A)), the requirements of COLL with respect to derivatives and forwards will apply to that component.

Up to 100% of the Scheme Property attributable to the Sub-Fund may consist of transferable securities (as defined in COLL) which are admitted to or dealt in on an Eligible Market (as set out in Appendix 2). Not more than 10% in value of the Scheme Property attributable to a Sub-Fund may consist of transferable securities which are not admitted to or dealt in an Eligible Market.

Not more than 5% in value of the Scheme Property attributable to the Sub-Fund may consist of transferable securities or money market instrument (referred to below) issued by any single body. This limit may be raised to 10% in respect of up to 40% in value of the Scheme Property attributable to a Sub-Fund. Covered bonds need not be taken into account for the purpose of applying the limit of 40%. The limit of 5% above is raised to 25% in value of the Scheme Property in respect of covered bonds, provided that when a UCITS scheme invests more than 5% in covered bonds issued by a single body, the total value of covered bonds held must not exceed 80% in value of the Scheme Property.

Not more than 20% in value of the Scheme Property attributable to the Sub-Fund is to consist of transferable securities issued by the same group.

Covered bonds

In general a covered bond is a bond that is issued by a credit institution which has its registered office in an EEA State and is subject by law to special public supervision designed to protect bondholders and in particular protection under which sums deriving from the issue of the bond must be invested in conformity with the law in assets which, during the whole period of validity of the bond, are capable of covering claims attaching to the bond and which, in the event of failure of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest, and which may be collateralised.

Government and public securities

Up to 100% of the Scheme Property attributable to the Sub-Fund may consist of government and public securities provided no more than 35% in value of the Scheme Property attributable to such Sub-Fund 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.

Collective investment schemes

Up to 100% of the Scheme Property attributable to each Sub-Fund may consist of units or shares in collective investment schemes unless otherwise stated in the investment policy relating to that Sub-Fund.

Not more than 20% in value of the property of a Sub-Fund may consist of units or shares in any one collective investment scheme.

A Sub-Fund must not invest in units or shares of a collective investment scheme (the "second scheme") unless the second scheme satisfies the conditions referred to below and provided that no more than 30% of the value of the Scheme Property attributed to the Sub-Fund is invested in second schemes within categories (b) to (d) below.

(i) The second scheme must fall within one of the following categories:

(a) A scheme which satisfies the conditions necessary for it to enjoy the rights conferred by the UCITS Directive; or

(b) A scheme which is recognised under the provisions of section 270 of the Financial Services and Markets Act 2000 (schemes authorised in designated countries or territories); or

(c) A scheme which is authorised as a non-UCITS retail scheme (as defined in COLL) and in respect of which the requirements of article 50(1)(e) of the UCITS Directive are met; or

(d) A scheme which is authorised in another EEA State and in respect of which the requirements of article 50(1)(e) of the UCITS Directive are met; or

(e) A scheme which is authorised by the competent authority of an OECD member country (other than another EEA State) which has:

- signed the IOSCO Multilateral Memorandum of Understanding;
- approved the scheme's management company, rules and depositary/custody arrangements; and
- in respect of which the requirements of article 50(1)(e) of the UCITS Directive are met.

(ii) The second scheme must comply, where relevant, with those COLL provisions regarding investment in other group schemes and associated schemes (referred to below).

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

(iv) Where the second scheme is an umbrella, the provisions in (ii) and (iii) above and COLL provisions regarding spread: general (referred to below) apply to each sub-fund as if it were a separate scheme.

The Company may invest in shares or units of collective investment schemes which are managed or operated by (or, in the case of companies incorporated under the OEIC Regulations, have as their authorised corporate director) the ACD or an associate of the ACD, including other sub-funds of this Company, the IFSL Brooks Macdonald Fund. However, if the Company invests in units or shares in another collective investment scheme managed or operated by the ACD or by an associate of the ACD, the ACD must pay into the property of the Company before the close of the business on the fourth Business Day after the agreement to invest or dispose of units or shares:

(a) on investment – if the ACD pays more for the units or shares issued to it than the then prevailing creation price, the full amount of the difference or, if this is not known, the maximum permitted amount of any charge which may be made by the issuer on the issue of the units or shares; and

(b) on a disposal – any amount charged by the issuer on the redemption of such units or shares.

The maximum level of management fees of the second scheme in which a Sub-Fund invests in is 3% (excluding performance fees).

Approved Money Market Instruments

The Company and the Sub-Funds may invest in money market instruments which are normally dealt in on the money market, are liquid and whose value can be accurately determined at any time, being an 'approved money market instrument' in accordance with the rules in COLL.

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 ACD that would lead to a different determination.

The Company and the Sub-Funds may invest in an approved money market instrument if it is:

(a) issued or guaranteed by a central, regional or local authority or central bank of an EEA state or if the EEA State is a federal state, one of the members making up the federation, the European Central Bank, the European Union or the European Investment Bank, a non-EEA state or, in the case of a federal state, by one of the members making up the federation, or by a public international body to which one or more EEA states belongs; or

(b) an establishment subject to prudential supervision in accordance with criteria defined by Community Law or an establishment which is subject to and complies with prudential rules governed by the FCA to be at least as stringent as those laid down by Community Law; or

(c) issued by a body, any securities of which are dealt in on an eligible market.

Not more than 10% of the scheme value attributable to a Sub-Fund may consist of money market instruments which do not fall within the above criteria.

Money-market instruments with a regulated issuer

In addition to instruments admitted to or dealt in on an eligible market, the Company and the Sub-Funds may invest in an approved money-market instrument provided it fulfils the requirements in COLL governing regulated issuers of money-market instruments such that the issue or the issuer is regulated for the purpose of protecting investors and savings and the instrument is issued or guaranteed, in accordance with COLL.

The Company and the Sub-Funds may also with the express consent of the FCA invest in an approved money-market instrument provided:

(a) the issue or issuer is itself regulated for the purpose of protecting investors and savings in accordance with COLL;

(b) investment in that instrument is subject to investor protection equivalent to that provided by instruments which satisfy the requirements of COLL 5.2.10BR(1)(a),(b) or (c); and

(c) the issuer is a company whose capital and reserves amount to at least EUR 10 million and which presents and publishes its annual accounts in accordance with Directive 78/660/EEC, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles (as defined in COLL) which benefit from a banking liquidity line (as defined in COLL).

Transferable securities and approved money market instruments held within the Sub-Funds must be:

(a) admitted to or dealt in on an eligible market which is a regulated market; or

(b) dealt in on an eligible market which is a market in an EEA State which is regulated, operates regularly and is open to the public; or

(c) admitted to or dealt in on an market which the ACD, after consultation with and notification to the Depositary decides that market is appropriate for the investment of, or dealing in, the Scheme Property, is listed in the Prospectus, and the Depositary has taken reasonable care to determine that adequate custody arrangements can be provided for and all reasonable steps have been taken by the ACD in deciding whether that market is eligible; or

(d) recently issued transferable securities provided that the terms of the issue include an undertaking that application will be made to be admitted to an eligible market, and such admission is secured within a year of issue.

Cash and near cash

In accordance with COLL, up to 100% of the Scheme Property attributable to a Sub-Fund may consist of cash or near cash:

(a) to enable the pursuit of the Sub-Fund's investment objectives;

(b) to enable the redemption of shares;

(c) as a defensive measure;

(d) to enable the efficient management of the Sub-Fund in accordance with its objectives or any other purposes which may reasonably be regarded as ancillary

to the objectives of the Sub-Fund.

Cash forming part of the property of a Sub-Fund may be placed in any current or deposit account with the Depositary, the ACD or any investment manager or any associate of any of them provided it is an eligible institution or approved bank and the arrangements are at least as favourable to the Fund concerned as would be those of any comparable arrangements effected on normal commercial terms negotiated at arm's length between two independent parties.

Derivatives

The Company is permitted to invest in derivatives (i.e., options, futures or contracts for differences) and forward transactions both for investment purposes and for the purposes of efficient portfolio management including hedging ("**EPM**"), see below. Different Sub-Funds have different policies, further details of which are set out in Appendix 3.

Such derivatives will be covered and usually exchange-traded. The assets which will underlie the derivative and forward currency contracts may be transferable securities, approved money market instruments, financial indices, deposits, derivatives, units/shares in collective investment schemes, interest rates, foreign exchange rates and currencies. Transactions involving derivatives or forward currency contracts will be subject to the parameters set out below.

A derivatives transaction must be in an approved derivative (i.e. one which is traded or dealt in on an eligible derivatives market as set out in Appendix 2) and effected on or under the rules of an eligible derivatives market, or an over the counter derivative with an approved counterparty. Further derivatives markets may be added to the list in Appendix 2 following consultation with the Depositary.

A counterparty to a transaction in an over-the-counter derivative 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 such transactions as principal off exchange. A transaction in an approved derivative must be effected on or under the rules of an eligible derivatives market.

A derivatives or forward transaction which would or could lead to delivery of property to the Depositary may be entered into only if such property can be held by the Sub-Funds and the ACD reasonably believes that delivery of the property pursuant to the transaction will not lead to a breach of the Regulations. A permitted transaction may at any time be closed out.

No more than 5% in value of the property of a Sub-Fund may be directed to initial outlay in respect of off-exchange transactions with any one counterparty.

Embedded derivatives

Where a Sub-Fund invests in a transferable security or an approved money-market instrument which embeds a derivative, this must be taken into account for the purposes of complying with COLL.

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

(a) 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;

(b) its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract; and

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

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 is a separate instrument.

The following types of investments are generally regarded as being transferable securities and approved money market instruments which embed a derivative:

(a) credit linked notes;

(b) transferable securities or approved money-market instruments whose performance is linked to the performance of a bond index;

(c) transferable securities or approved money-market instruments whose performance is linked to the performance of a basket of shares, with or without active management;

(d) transferable securities or approved money-market instruments with a fully guaranteed nominal value whose performance is linked to the performance of a basket of shares, with or without active management;

(e) convertible bonds; and

(f) exchangeable bonds.

Transferable securities and approved money-market instruments which embed a derivative are subject to the rules applicable to derivatives in COLL as summarised in this section.

A derivative includes instruments which fulfil the following criteria:

(a) it allows the transfer of the credit risk of the underlying financial instrument independently from the other risks associated with that underlying;

(b) it does not result in the delivery or the transfer, including in the form of cash, of assets other than those referred to in COLL 5.2.6AR;

(c) in the case of an OTC derivative, it complies with the requirements in COLL 5.2.23R;

(d) its risks are adequately captured by the ACD's risk management process, and by its internal control mechanisms in the case of risks of asymmetry of information between the ACD 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 financial instrument by that derivative.

The Sub-Funds may not undertake transactions in derivatives on commodities.

Requirement to cover sales

No agreement by or on behalf of the Company and its Sub-Funds to dispose of property or rights may be made unless the obligation to make the disposal and any other similar obligation could immediately be honoured by the Sub-Fund(s) by delivery of property or the assignment of rights, and the property and rights above are owned by the Sub-Funds at the time of the agreement.

This requirement does not apply to a deposit, nor does it apply where:

(a) the risks of the underlying financial instrument of a derivative can be appropriately represented by another financial instrument which is highly liquid; or

(b) the ACD or the Depositary has the right to settle the derivative in cash, and cover exits within the Scheme Property which falls within one of the following asset classes:

(i) cash;

(ii) liquid debt instruments (eg government bonds of first credit rating) with appropriate safeguards (in particular, haircuts (a percentage reduction applied to the market value, to account for the risk of loss, or the maximum amount against which it can be used as collateral)); or

(iii) other highly liquid assets having regard to their correlation with the underlying of the financial derivative instruments, subject to appropriate safeguards (eg haircuts where relevant).

In the asset classes referred to above, an asset may be considered as liquid where the instrument can be converted into cash in no more than seven Business Days at a price closely corresponding to the current valuation of the financial instrument on its own market.

Over-the-counter ("OTC") transactions in derivatives

Any transaction in an OTC derivative must be:

(a) 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 such transactions as principal off-exchange.

(b) on approved terms. The terms of a transaction in derivatives are approved only if, the ACD:

(i) carries out, at least daily, 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; and

(ii) can enter into one or more further transactions to sell, liquidate or close out that transaction at any time, at its fair value.

(c) capable of reliable valuation. A transaction in derivatives is capable of reliable valuation only if the ACD 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:

(i) on the basis of an up-to-date market value which the ACD and the Depositary have agreed is reliable; or

(ii) if the value referred to in (i) is not available, on the basis of a pricing model which the ACD and the Depositary have agreed uses an adequate recognised methodology; and

(d) 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:

(i) an appropriate third party which is independent from the counterparty of the derivative, at an adequate frequency and in such a way that the ACD is able to check it; or

(ii) a department within the ACD which is independent from the department in charge of managing the Scheme Property and which is adequately equipped for such a purpose.

Collateral required under OTC derivative transactions must be:

(a) marked to market on a daily basis and exceed the value of the amount of risk;

(b) exposed only to negligible risks (eg government bonds of first credit rating or cash) and is liquid;

(c) held by a third party custodian not related to the provider or is legally secured from the consequences of a failure of a related party; and

(d) fully enforceable by the sub-fund(s) at any time.

OTC derivative positions with the same counterparty may be netted provided that the netting procedures comply with the conditions set out in Section 3 (Contractual netting (Contracts for novation and other netting agreements)) of Annex III of the Banking Consolidation Directive; and are based on legally binding agreements.

Derivative exposure

Derivatives and forward transactions may only be invested in where the exposure by that transaction itself is suitably covered from within a Sub-Fund's property. Exposure will include any initial outlay in respect of that transaction.

Cover ensures that the relevant Sub-Funds are not exposed to the risk of loss of property, including money, to an extent greater than the net value of that Sub-Fund's property. Therefore, Sub-Funds must hold property sufficient in value or amount to match the exposure arising from a derivative obligation to which such Sub-Fund is committed. The detailed requirements in accordance with COLL 5.3.3 for the cover of such Sub-Fund are set out below.

Cover used in respect of one transaction in derivatives or forward transactions should not be used for cover in respect of another transaction in derivatives or a forward transaction.

Cover for transaction in derivatives and forward transactions

A transaction in derivatives or forward transaction is to be entered into only if the maximum exposure, in terms of the principal or notional principal created by the transaction to which the Company is or may be committed by another person, is covered globally.

Exposure is covered globally if adequate cover from within the Scheme Property is available to meet the Company's total exposure, taking into account the value of the underlying assets, any reasonably foreseeable market movement, counterparty risk, and the time available to liquidate any positions.

Cash not yet received into a Sub-Fund's property but due to be received within one month is available as cover for these purposes.

Property which is the subject of a stock lending transaction is only available for cover if the ACD has taken reasonable care to determine that it is obtainable (by return or re-acquisition) in time to meet the obligation for which cover is required.

The total exposure relating to derivatives held in a particular Sub-Fund may not exceed the net value of the property.

Efficient Portfolio Management ("EPM")

Certain Sub-Funds may only invest in derivatives and forward transactions for the purposes of EPM – see Appendix 3 for further details.

EPM enables the Sub-Funds to invest in derivatives and forward transactions in accordance with COLL using techniques 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 specific aims;

(i) reduction of risk;

(ii) reduction of cost;

(iii) generation of additional capital or income for the Sub-Funds with a risk level that is consistent with the risk profile of the relevant Sub-Fund and the risk diversification rules in COLL.

A transaction may not be entered into if its purpose could reasonably be regarded as speculative.

In relation to the generation of additional capital or income, there is an acceptably low level of risk in any case where the ACD reasonably believes that the Sub-Funds are certain (or certain barring events which are not reasonably foreseeable) to derive a benefit:

- by taking 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, being property which the Fund holds or may properly hold;

- by receiving a premium for the writing of a covered call option, even if that benefit is obtained at the expense of surrendering the chance of yet greater benefit; or

- by stocklending.

To be economically appropriate to the EPM of the Sub-Funds, the ACD must reasonably believe that:

- for transactions undertaken to reduce risk or cost (or both), the transaction (alone or in combination) will diminish a risk or cost of a kind or level which it is sensible to reduce; and

- for transactions undertaken to generate additional capital or income, the Sub-Funds are certain (or certain barring events which are not reasonably foreseeable) to derive a benefit from the transaction.

Where, for example, the ACD wishes to achieve a switch in exposure, he may do so, rather than through sale and purchase of property of the Sub-Fund, by use of derivatives (a technique commonly called "tactical asset allocation") if the transactions concerned reasonably appear to him to be economically appropriate to the EPM of the Sub-Fund and to diminish a risk or cost of a kind of level which it is sensible to reduce. Where the transaction relates to the actual or potential acquisition of transferable securities, then the Company must intend that the Sub-Fund should invest in transferable securities within a reasonable time; and it must thereafter ensure that, unless the position has itself been closed out, that intention is realised within that reasonable time.

The Regulations also permit, in certain circumstances, cross currency hedging.

Spread – general

In applying any of the restrictions referred to above, not more than 20% in the value of the Scheme Property is to consist of any combination of two or more of the following:

- transferable securities (including covered bonds) or approved money market instruments issued by; or
- deposits made with; or
- exposures from over the counter derivatives transactions made with;

a single body.

In applying the limit to investment in transferable securities or approved money market instruments issued by any single body, certificates representing certain securities are to be treated as equivalent to the underlying security.

The exposure to any one counterparty in an over the counter derivative transaction must not exceed 5% in value of the Scheme Property. This limit may be raised to 10% where the counterparty is an approved bank as defined in COLL. Exposure in respect of an over the counter derivative may be reduced to the extent that collateral is held in respect of it in accordance with COLL.

Concentration

The Company must not at any time hold:

(a) more than 10% of the transferable securities issued by a body corporate which do not carry rights to vote on any matter at a general meeting of that body;

(b) more than 10% of the debt securities issued by one issuer;

(c) more than 25% of the units or shares in a collective investment scheme;

(d) more than 10% of the approved money market instrument issued by a single body;

and need not comply with (a), (b) or (c) if at the time of acquisition, the net amount in issue of the relevant investment cannot be calculated.

Significant Influence

The Company 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:

(a) immediately before the acquisition, the aggregate of any such securities held by the Company gives the Company power to influence significantly the conduct of business of that body corporate; or

(b) the acquisition gives the Company that power.

For the purposes above, the Company 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).

Borrowing

Subject to the Company's Instrument of Incorporation and COLL (as it relates to UCITS Schemes), the Company may borrow money to meet redemption and settlement mismatches, although it is not expected that significant use will be made of borrowing for the latter purpose

for the purposes of achieving the objectives of the Sub-Funds on terms that such borrowings are to be repaid out of the Scheme Property of the relevant Sub-Fund. Such borrowing may only be made from an eligible institution or approved bank (as defined in COLL) and must be on a temporary basis only.

No period of borrowing may exceed 90 days without the prior consent of the Depositary (which may give such consent only on conditions as appear to the Depositary appropriate to ensure that the borrowing does not cease to be on a temporary basis). The borrowing of a Sub-Fund must not, on any Business Day, exceed 10 per cent of the value of the property of the relevant Sub-Fund. As well as applying to borrowing in a conventional manner, the 10 per cent limit applies to any other arrangement designed to achieve a temporary injection of money into the property of the Fund in the expectation that such will be repaid. For example, by way of a combination of derivatives which produces an effect similar to borrowing.

The above provisions on borrowing do not apply to "back to back" borrowing for hedging purposes, being an arrangement under which an amount of currency is borrowed from an eligible institution and an amount in another currency at least equal to the amount of currency borrowed is kept on deposit with the lender (or his agent or nominee).

Borrowings may be made from the Depositary, the ACD, the Directors or any Investment Manager or any associate of any of them provided that such lender is an eligible institution or approved bank and the arrangements are at least as favourable to the Sub-Fund concerned as would be those of any comparable arrangements effected on normal commercial terms negotiated at arm's length between two independent parties.

Risk Management

The ACD uses a risk management process which enables it to monitor and measure on a daily basis the risk of the Company's derivatives and forwards position and their impact on the overall risk profile of the Company. The ACD does not anticipate the intended use of derivatives and forwards transactions as set out above to have any detrimental effect on the overall risk profile of the Company or any of the Sub-Funds.

Restrictions on lending of money

None of the money in the Scheme Property of the Sub-Funds may be lent and, for the purposes of this prohibition, money is lent by a Sub-Fund if it is paid to a person (a "payee") on the basis that it should be repaid, whether or not by the payee. Acquiring a debenture is not lending for these purposes, nor is the placing of money on deposit or in a current account.

The restriction on lending of money does not prevent the Company from providing an officer of the Company with funds to meet expenditure to be incurred by him for the purposes of the Company (or for the purposes of enabling him properly to perform his duties as an officer of the Company) or from doing anything to enable an officer to avoid incurring such expenditure.

Restrictions on the lending of property other than money

The Scheme Property of the Company other than money must not be lent by way of deposit or otherwise. Stock lending transactions permitted by COLL are not to be regarded as lending for these purposes. The Scheme Property of the Company is not permitted to be mortgaged.

The restriction on the lending of property other than money does not prevent the Company or the Depositary at the request of the Company, 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 Company in accordance with COLL.

General power to accept or underwrite placings

The Company's ability to invest in transferable securities may be used for the purposes of entering into underwriting transactions in accordance with COLL, subject to any restriction in the Instrument of Incorporation. The exposure of the Company to such arrangements must be covered, 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 COLL.

Guarantees and indemnities

In accordance with COLL the Company or the Depositary are not permitted to provide any guarantee or indemnity in respect of the obligation of any person, in addition the Scheme Property of the Company may not be used to discharge any obligation arising under a guarantee or indemnity with respect to the obligation of any person. The above restrictions do not apply in respect of any indemnity or guarantee for margin requirements in the event the Sub-Funds enter into derivative or forward transactions in accordance with COLL, and in respect of certain indemnities permitted under COLL.

Appendix 2

Eligible Markets

Set out below are the securities markets through which the Company may invest or deal in approved securities on account of the Sub-Funds (subject to the investment objective and policy of each Sub-Fund):

(a) a "regulated market" as defined in COLL;

(b) a securities market established in any EEA State (which as at the date of this Prospectus includes Austria, Belgium, Bulgaria, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Republic of Cyprus, Romania, Slovakia, Slovenia, Spain, Sweden and the UK) which is regulated, operates regularly and is open to the public; and

(c) the principal or only market established under the rules of any of the following investment exchanges:

Country	Market
Australia	Australian Securities Exchange
Brazil	Bolsa de Valores, Mercadorias & Futuros de Sao Paulo
Canada	TSX Venture Exchange; Toronto Stock Exchange
Channel Islands	TISE The International Stock Exchange
China	Shenzhen Stock Exchange; Shanghai Securities Exchange
Hong Kong	The Stock Exchange of Hong Kong
India	National Stock Exchange of India; Bombay Stock Exchange
Indonesia	Indonesia Stock Exchange
Israel	Tel Aviv Stock Exchange
Japan	Tokyo Stock Exchange; Nagoya Stock Exchange; Osaka Securities Exchange;
The Republic of Korea	Korea Exchange
Malaysia	Bursa Malaysia Berhad
Mexico	Bolsa Mexicana de Valores

New Zealand	New Zealand Exchange
Singapore	Singapore Exchange
South Africa	Johannesburg Stock Exchange
Switzerland	SIX Swiss Exchange
Taiwan	Taiwan Stock Exchange
Thailand	Stock Exchange of Thailand
United Kingdom	London Stock Exchange
United States of America	NYSE MKT; NYSE; NASDAQ OMX BX; National Stock Exchange; Chicago Stock Exchange; NYSE Arca; NASDAQ Stock Exchange

The alternative investment market (AIM) of the London Stock Exchange is also an eligible securities market for the purposes of the Sub-Funds.

Eligible Derivatives Markets

Set out below are the derivatives markets through which the Company may deal on account of the Sub-Funds (subject to the investment objective and policy of each Sub-Fund):

(a) a derivatives market established in any EEA State (which as at the date of this Prospectus includes Austria, Belgium, Bulgaria, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Republic of Cyprus, Romania, Slovakia, Slovenia, Spain, Sweden and the UK) which is regulated, operates regularly and is open to the public; and

Country	**Market**
Australia	Australian Securities Exchange
Canada	Montreal Exchange
Japan	Osaka Securities Exchange
Singapore	Singapore Exchange
South Africa	Johannesburg Stock Exchange South African Futures Exchange
United Kingdom	ICE Futures Europe
United States	Chicago Board Options Exchange Chicago Mercantile Exchange New York Mercantile Exchange NYSE Arca Options NASDAQ PHLX NYSE

Appendix 3

The Sub-Funds and their principal terms and share classes

Defensive Income Fund

Investment objective

To generate income over the long term by gaining an exposure to a defensive mix of assets.

Investment policy

The Sub-Fund will be actively managed and primarily invested in a variety of collective investment schemes that will include both UK and international equity exposure and substantial fixed income and other defensive assets to provide an overall defensive investment mix of income generating assets.

The Sub-Fund may also invest in transferable securities, money market instruments, exchange-traded funds, cash and cash deposits, as permitted in Appendix 1.

The use of derivatives and hedging transactions is only permitted in connection with the efficient portfolio management of the Sub-Fund. Borrowing will be permitted on a temporary basis under the terms set out in Appendix 1, at the discretion of the Investment Manager.

Assessing performance

The Investment Association (IA), the trade body for UK investment managers, has created a number of 'sectors' as a way of dividing funds into broad groups with similar characteristics.

The Fund will be managed so it is eligible for inclusion in the IA Mixed Investment 0-35% Shares sector.

Investor Profile

The Sub-Fund is suitable for retail investors, professional investors and eligible counterparties whose investment requirements are aligned with the objectives, policies and risk profiles of the Sub-Fund. The Sub-Fund will be distributed primarily via fund platforms, wealth managers, discretionary fund managers and financial institutions. The Sub-Fund has no complex features or guarantees and investors do not necessarily need to have investment experience however a basic understanding of investment markets, the kind of underlying investments of the Sub-Fund and the risks involved in investment is important.

This Prospectus contains detail on the Sub-Funds' objectives, investment strategies, risks, performance, distribution policy and fees and expenses. All investors are expected to have also read the Key Investor Information Document (KIID) which is intended to help investors understand the nature and risks of investing in the Sub-Fund.

The Sub-Fund may not be suitable for certain investors, including but not limited to those whose objectives and needs are not consistent with the nature of the Sub-Fund, those who are unable to commit capital for a sufficient term or do not have sufficient resources to bear any loss which may result from an investment in the Sub-Fund. The Sub-Fund is also not committed to meeting any specific ethical, social, religious or environmental restrictions which some investors may be seeking.

Further information on the intended target market for the Sub-Fund is available from the ACD upon request. If you are in any doubt as to the suitability of the Sub-Fund, you should consult an appropriately qualified financial adviser prior to making an investment.

Share classes	**Class A**	**Class B**	**Class B** (Hedged)	**Class B** (Hedged)
Currency of denomination	Sterling (£)	Sterling (£)	Euro (€)	USD ($)
Income/Accumulation	Income	Income and Accumulation	Accumulation	Accumulation
Net/Gross	Net	Net	Net	Net
Minimum initial subscription	£1,000*	£1,000*	€1,000	$1,000
Minimum subsequent subscription	£1,000*	£1,000*	€1,000	$1,000
* Regular Savings Plan	Yes. On a monthly basis – minimum monthly subscription of £100	Yes. On a monthly basis – minimum monthly subscription of £100	N/A	N/A
Minimum redemption	£1,000	£1,000	€1,000	$1,000
Minimum holding	£1,000	£1,000	€1,000	$1,000
Initial charge	0%	5%	5%	5%
Annual Management Charge ("AMC")	0.50%	1.25%	1.25%	1.25%
AMC charged to capital or income	Capital			
Income Allocation	31st January (interim), 30th April (interim), 31st July (final) and 31st October (interim)			
NISA Qualifying	Yes			

Dilution Levy

Based on the number of Shareholders in each Sub-Fund and their average shareholding, as well as historic subscription and redemption volumes, the ACD considers that it likely that a dilution levy will only be imposed on a very infrequent basis. Where a dilution levy is applied, the ACD believes that due to the nature of the underlying securities the amount will not normally exceed 1% of the net asset value of Shares being bought or sold.

Cautious Growth Fund

Investment objective

The primary objective is to provide capital growth over the longer term by gaining an exposure to a cautious mix of asset classes. The defensive nature of the asset classes used to provide a cautious mix is likely to provide some investment income, however this is of secondary importance.

Investment policy

The Sub-Fund will be actively managed and primarily invested in a variety of collective investment schemes that will include UK and international equity as well as fixed income exposure to provide an overall cautious investment mix.

The Sub-Fund may also invest in transferable securities, money market instruments, exchange-traded funds, cash and cash deposits, as permitted in Appendix 1.

The use of derivatives and hedging transactions is only permitted in connection with the efficient portfolio management of the Sub-Fund. Borrowing will be permitted on a temporary basis under the terms set out in Appendix 1, at the discretion of the Investment Manager.

Assessing performance

The Investment Association (IA), the trade body for UK investment managers, has created a number of 'sectors' as a way of dividing funds into broad groups with similar characteristics.

The Fund will be managed so it is eligible for inclusion in the IA Mixed Investment 20-60% Shares sector.

Investor Profile

The Sub-Fund is suitable for retail investors, professional investors and eligible counterparties whose investment requirements are aligned with the objectives, policies and risk profiles of the Sub-Fund. The Sub-Fund will be distributed primarily via fund platforms, wealth managers, discretionary fund managers and financial institutions. The Sub-Fund has no complex features or guarantees and investors do not necessarily need to have investment experience however a basic understanding of investment markets, the kind of underlying investments of the Sub-Fund and the risks involved in investment is important.

This Prospectus contains detail on the Sub-Funds' objectives, investment strategies, risks, performance, distribution policy and fees and expenses. All investors are expected to have also read the Key Investor Information Document (KIID) which is intended to help investors understand the nature and risks of investing in the Sub-Fund.

The Sub-Fund may not be suitable for certain investors, including but not limited to those whose objectives and needs are not consistent with the nature of the Sub-Fund, those who are unable to commit capital for a sufficient term or do not have sufficient resources to bear any loss which may result from an investment in the Sub-Fund. The Sub-Fund is also not committed to meeting any specific ethical, social, religious or environmental restrictions which some investors may be seeking.

Further information on the intended target market for the Sub-Fund is available from the ACD upon request. If you are in any doubt as to the suitability of the Sub-Fund, you should consult an appropriately qualified financial adviser prior to making an investment.

Share classes	**Class A**	**Class B**	**Class B** (Hedged)	**Class B** (Hedged)
Currency of denomination	Sterling (£)	Sterling (£)	Euro (€)	USD ($)
Income/Accumulation	Income and Accumulation	Income and Accumulation	Accumulation	Accumulation
Net/Gross	Net	Net	Net	Net
Minimum initial subscription	£1,000*	£1,000*	€1,000	$1,000
Minimum subsequent subscription	£1,000*	£1,000*	€1,000	$1,000
* Regular Savings Plan	Yes. On a monthly basis – minimum monthly subscription of £100	Yes. On a monthly basis – minimum monthly subscription of £100	N/A	N/A
Minimum redemption	£1,000	£1,000	€1,000	$1,000
Minimum holding	£1,000	£1,000	€1,000	$1,000
Initial charge	0%	5%	5%	5%
Annual Management Charge ("AMC")	0.50%	1.25%	1.25%	1.25%
AMC charged to capital or income	Income			
Income Allocation	31 January (interim) and 31 July (final)			
NISA Qualifying	Yes			

Dilution Levy

Based on the number of Shareholders in each Sub-Fund and their average shareholding, as well as historic subscription and redemption volumes, the ACD considers that it likely that a dilution levy will only be imposed on a very infrequent basis. Where a dilution levy is applied, the ACD believes that due to the nature of the underlying securities the amount will not normally exceed 1% of the net asset value of Shares being bought or sold.

Balanced Fund

Investment objective

To provide a combination of income and capital growth over the longer term by gaining an exposure to a balanced mix of asset classes.

Investment policy

The Sub-Fund will be actively managed and primarily invested in a variety of collective investment schemes that will include significant UK and international equity exposure together with fixed income and alternative investments to provide an overall balanced investment mix of growth assets.

The Sub-Fund may also invest in transferable securities, money market instruments, exchange traded funds, cash and cash deposits, as permitted in Appendix 1.

The use of derivatives and hedging transactions is only permitted in connection with the efficient portfolio management of the Sub-Fund. Borrowing will be permitted on a temporary basis under the terms set out in Appendix 1, at the discretion of the Investment Manager.

Assessing performance

The Investment Association (IA), the trade body for UK investment managers, has created a number of 'sectors' as a way of dividing funds into broad groups with similar characteristics.

The Fund will be managed so it is eligible for inclusion in the IA Mixed Investment 40-85% Shares sector.

Investor Profile

The Sub-Fund is suitable for retail investors, professional investors and eligible counterparties whose investment requirements are aligned with the objectives, policies and risk profiles of the Sub-Fund. The Sub-Fund will be distributed primarily via fund platforms, wealth managers, discretionary fund managers and financial institutions. The Sub-Fund has no complex features or guarantees and investors do not necessarily need to have investment experience however a basic understanding of investment markets, the kind of underlying investments of the Sub-Fund and the risks involved in investment is important.

This Prospectus contains detail on the Sub-Funds' objectives, investment strategies, risks, performance, distribution policy and fees and expenses. All investors are expected to have also read the Key Investor Information Document (KIID) which is intended to help investors understand the nature and risks of investing in the Sub-Fund.

The Sub-Fund may not be suitable for certain investors, including but not limited to those whose objectives and needs are not consistent with the nature of the Sub-Fund, those who are unable to commit capital for a sufficient term or do not have sufficient resources to bear any loss which may result from an investment in the Sub-Fund. The Sub-Fund is also not committed to meeting any specific ethical, social, religious or environmental restrictions which some investors may be seeking.

Further information on the intended target market for the Sub-Fund is available from the ACD upon request. If you are in any doubt as to the suitability of the Sub-Fund, you should consult an appropriately qualified financial adviser prior to making an investment.

Share classes	**Class A**	**Class B**	**Class B** (Hedged)	**Class B** (Hedged)
Currency of denomination	Sterling (£)	Sterling (£)	Euro (€)	USD ($)
Income/Accumulation	Accumulation	Accumulation	Accumulation	Accumulation
Net/Gross	Net	Net	Net	Net
Minimum initial subscription	£1,000*	£1,000*	€1,000	$1,000
Minimum subsequent subscription	£1,000*	£1,000*	€1,000	$1,000
*Regular Savings Plan	Yes. On a monthly basis; minimum monthly subscription of £100	Yes. On a monthly basis; minimum monthly subscription of £100	N/A	N/A
Minimum redemption	£1,000	£1,000	€1,000	$1,000
Minimum holding	£1,000	£1,000	€1,000	$1,000
Initial charge	0%	5%	5%	5%
Annual Management Charge ("AMC")	0.50%	1.25%	1.25%	1.25%
AMC charged to capital or income	Income			
Income Allocation	31 January (interim) and 31 July (final)			
NISA Qualifying	Yes			

Dilution Levy

Based on the number of Shareholders in each Sub-Fund and their average shareholding, as well as historic subscription and redemption volumes, the ACD considers that it likely that a dilution levy will only be imposed on a very infrequent basis. Where a dilution levy is applied, the ACD believes that due to the nature of the underlying securities the amount will not normally exceed 1% of the net asset value of Shares being bought or sold.

Strategic Growth Fund

Investment objective

To provide long-term capital growth, primarily through investment in global equity markets.

Investment policy

The Sub-Fund will be actively managed and primarily invested in a variety of collective investment schemes investing in UK and international equities, with some exposure to fixed income as well as any other investments which carry a defined return such as preference shares, convertible bonds and other investment funds, some of which are designed to lessen the full equity market risk, in order to provide a mix of growth assets.

The Sub-Fund may also invest in transferable securities, money market instruments, exchange-traded funds, cash and cash deposits, as permitted in Appendix 1.

The use of derivatives and hedging transactions is only permitted in connection with the efficient portfolio management of the Sub-Fund. Borrowing will be permitted on a temporary basis under the terms set out in Appendix 1, at the discretion of the Investment Manager.

Assessing performance

The Investment Association (IA), the trade body for UK investment managers, has created a number of 'sectors' as a way of dividing funds into broad groups with similar characteristics.

The Fund will be managed so it is eligible for inclusion in the IA Flexible Investment Shares sector.

Investor Profile

The Sub-Fund is suitable for retail investors, professional investors and eligible counterparties whose investment requirements are aligned with the objectives, policies and risk profiles of the Sub-Fund. The Sub-Fund will be distributed primarily via fund platforms, wealth managers, discretionary fund managers and financial institutions. The Sub-Fund has no complex features or guarantees and investors do not necessarily need to have investment experience however a basic understanding of investment markets, the kind of underlying investments of the Sub-Fund and the risks involved in investment is important.

This Prospectus contains detail on the Sub-Funds' objectives, investment strategies, risks, performance, distribution policy and fees and expenses. All investors are expected to have also read the Key Investor Information Document (KIID) which is intended to help investors understand the nature and risks of investing in the Sub-Fund.

The Sub-Fund may not be suitable for certain investors, including but not limited to those whose objectives and needs are not consistent with the nature of the Sub-Fund, those who are unable to commit capital for a sufficient term or do not have sufficient resources to bear any loss which may result from an investment in the Sub-Fund. The Sub-Fund is also not committed to meeting any specific ethical, social, religious or environmental restrictions which some investors may be seeking.

Further information on the intended target market for the Sub-Fund is available from the ACD upon request. If you are in any doubt as to the suitability of the Sub-Fund, you should consult an appropriately qualified financial adviser prior to making an investment.

Share classes	**Class A**	**Class B**	**Class B** (Hedged)	**Class B** (Hedged)
Currency of denomination	Sterling (£)	Sterling (£)	Euro (€)	USD ($)
Income/Accumulation	Accumulation	Accumulation	Accumulation	Accumulation
Net/Gross	Net	Net	Net	Net
Minimum initial subscription	£1,000*	£1,000*	€1,000	$1,000
Minimum subsequent subscription	£1,000*	£1,000*	€1,000	$1,000
*Regular Savings Plan	Yes. On a monthly basis; minimum monthly subscription of £100	Yes. On a monthly basis; minimum monthly subscription of £100	N/A	N/A
Minimum redemption	£1,000	£1,000	€1,000	$1,000
Minimum holding	£1,000	£1,000	€1,000	$1,000
Initial charge	0%	5%	5%	5%
Annual Management Charge ("AMC")	0.50%	1.25%	1.25%	1.25%
AMC charged to capital or income	Income			
Income Allocation	31 January (interim) and 31 July (final)			
NISA Qualifying	Yes			

Dilution Levy

Based on the number of Shareholders in each Sub-Fund and their average shareholding, as well as historic subscription and redemption volumes, the ACD considers that it likely that a dilution levy will only be imposed on a very infrequent basis. Where a dilution levy is applied, the ACD believes that due to the nature of the underlying securities the amount will not normally exceed 1% of the net asset value of Shares being bought or sold.

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Defensive Capital Fund

Investment objective

To achieve consistent long-term capital growth and positive absolute returns over rolling three year periods through a portfolio of defined return assets, such as preference shares, loan notes, convertibles, structured notes and other defined return investments, including collective investment schemes and transferable securities, that do not require market growth to provide a positive capital return and are supported by significant underlying asset cover. Returns are not guaranteed over any time period therefore capital is at risk

Investment policy

The portfolio will be actively managed and will normally remain fully invested save for such operational liquidity as is required from time to time. However, it may include cash or near cash from time to time, but this will not normally exceed 30% of the value of the property of the Sub-Fund.

The Sub-Fund may use derivatives for investment purposes and for the purposes of efficient portfolio management.

Borrowing will be permitted on a temporary basis under the terms of the Regulations, at the discretion of the Investment Manager.

The Sub-Fund will not invest more than 10% of its property in aggregate in the units or shares of other UCITS Schemes or other collective investment schemes.

Assessing performance

The Fund aims, but does not guarantee, to deliver positive returns (greater than zero) in any market conditions over rolling 3 year periods. The Investment Association (IA), the trade body for UK investment managers, publishes figures each month showing how many times the Fund failed to provide returns greater than zero for all available rolling 12 month periods over the preceding three years on its website. https://www.theia.org/industry-data/fund-sectors/tar-monitoring. As the Fund does not have a benchmark, investors may wish to use this information in order to measure the success of the Fund.

Investor Profile

The Sub-Fund is suitable for retail investors, professional investors and eligible counterparties whose investment requirements are aligned with the objectives, policies and risk profiles of the Sub-Fund. The Sub-Fund will be distributed primarily via fund platforms, wealth managers, discretionary fund managers and financial institutions. The Sub-Fund has no complex features or guarantees and investors do not necessarily need to have investment experience however a basic understanding of investment markets, the kind of underlying investments of the Sub-Fund and the risks involved in investment is important. **Retail investors are expected to have received financial advice prior to investing in the Sub-Fund.**
This Prospectus contains detail on the Sub-Funds' objectives, investment strategies, risks, performance, distribution policy and fees and expenses. All investors are expected to have also read the Key Investor Information Document (KIID) which is intended to help investors understand the nature and risks of investing in the Sub-Fund.

The Sub-Fund may not be suitable for certain investors, including but not limited to those whose objectives and needs are not consistent with the nature of the Sub-Fund, those who are unable to commit capital for a sufficient term or do not have sufficient resources to bear any loss which may result from an investment in the Sub-Fund. The Sub-Fund is also not committed to meeting

any specific ethical, social, religious or environmental restrictions which some investors may be seeking.

Further information on the intended target market for the Sub-Fund is available from the ACD upon request. If you are in any doubt as to the suitability of the Sub-Fund, you should consult an appropriately qualified financial adviser prior to making an investment.

Share classes	**Class A**	**Class B**	**Class C**	**Class B** (Hedged)	**Class B** (Hedged)	**Class C (**Hedged**) Not Yet Available**	**Class C (**Hedged**) Not Yet Available**
Currency of denomination	Sterling (£)	Sterling (£)	Sterling (£)	Euro (€)	USD ($)	Euro (€)	USD ($)
Income/ Accumulation	Income and Accumulation	Accumulation	Income and Accumulation	Accumulation	Accumulation	Accumulation	Accumulation
Net/Gross	Net	Net	Net	Net	Net	Net	Net
Minimum initial subscription	£1,000*	£1,000*	£2,000,000	€1,000	$1,000	€2,000,000	$2,000,000
Minimum subsequent subscription	£1,000*	£1000*	£2,000,000	€1,000	$1,000	€2,000,000	$2,000,000
* Regular Savings Plan	Yes. On a monthly basis – minimum monthly subscription of £100	Yes. On a monthly basis – minimum monthly subscription of £100	N/A	N/A	N/A	N/A	N/A
Minimum redemption	£1,000	£1,000	N/A	€1,000	$1,000	N/A	N/A
Minimum holding	£1,000	£1,000	N/A	€1,000	$1,000	N/A	N/A
Initial charge	0%	5%	0%	5%	5%	0%	0%
Annual Management Charge ("AMC")	0.75%	1.5%	0.55%	1.5%	1.5%	0.55%	0.55%
AMC charged to capital or income	Income						
Income Allocation	31 July						
NISA Qualifying	Yes						

Class C Shares are only available for purchase by the Investment Manager, clients of the Investment Manager or otherwise at the discretion of the ACD. Class C Shares accommodate a separate charging structure between the Investment Manager and investors but will otherwise rank pari passu with the other available shares in a Sub-Fund.

The Class C (Hedged) EURO and USD are not yet available.

Dilution Levy

Based on the number of Shareholders in each Sub-Fund and their average shareholding, as well as historic subscription and redemption volumes, the ACD considers that it likely that a dilution levy will only be imposed on a very infrequent basis. Where a dilution levy is applied, the ACD believes that due to the nature of the underlying securities the amount will not normally exceed 1% of the net asset value of Shares being bought or sold.

Appendix 4

Historical Performance

Below shows the historical performance of the Sub-Funds covered by the Prospectus. Where possible, discrete annual performance over 5 years is shown. However, where the Sub-Funds have been in existence for less than any of the annual periods, the performance since the launch of the Sub-Funds is shown, plus any of the 5 year figures, as applicable.

Name	% Growth 01 Jul 14 to 30 Jun 15	% Growth 01 Jul 15 to 30 Jun 16	% Growth 01 Jul 16 to 30 Jun 17	% Growth 01 Jul 17 to 30 Jun 18	% Growth 01 Jul 18 to 30 Jun 19
Balanced Fund Class A Accumulation	7.57	-2.22	18.71	6.92	1.88
Balanced Fund Class B Accumulation	7.20	-2.78	17.92	6.11	1.14
Balanced Fund Class B EUR		-4.09	16.44	5.00	-0.09
Balanced Fund Class B USD		-3.24	18.14	7.58	2.79
Cautious Growth Fund Class A Income	6.05	3.94	12.34	2.84	3.29
Cautious Growth Fund Class A Accumulation	5.99	3.90	12.41	2.86	3.25
Cautious Growth Fund Class B Income	6.42	4.66	11.72	2.18	2.67
Cautious Growth Fund Class B Accumulation	6.49	4.63	11.73	2.23	2.65
Cautious Growth Fund Class B EUR		2.10	10.58	1.15	1.31
Cautious Growth Fund Class B USD		3.95	12.53	3.17	4.26

Defensive Capital Fund Class A Accumulation	4.89	0.53	12.75	1.50	3.73
Defensive Capital Fund Class A Income**]**					
Defensive Capital Fund Class B Accumulation	4.27	-0.17	12.02	0.76	2.92
Defensive Capital Fund Class B EUR		-1.13	10.43	-0.37	1.59
Defensive Capital Fund Class B USD		-0.30	12.77	1.55	4.68
Defensive Capital Fund Class C Accumulation	5.08	0.65	12.96	1.72	3.95
Defensive Capital Fund Class C Income					
Defensive Capital Fund Class C EUR **[NOT YET AVAILABLE]**					
Defensive Capital Fund Class C USD **[NOT YET AVAILABLE]**					
Defensive Income Fund Class A Income	3.75	0.89	9.66	0.49	3.74
Defensive Income Fund Class B Income	3.12	0.33	8.94	-0.10	3.06
Defensive Income Fund Class B Accumulation		0.30	9.01	-0.09	3.17
Defensive Income Fund Class B EUR		-0.72	7.57	-0.96	1.75
Defensive Income Fund Class B USD		0.54	9.63	1.02	4.87

Strategic Growth Fund Class A Accumulation	10.12	-3.33	21.71	8.96	3.23
Strategic Growth Fund Class B Accumulation		-3.33	20.82	8.13	2.53
Strategic Growth Fund Class B EUR		-4.27	19.19	6.92	1.31
Strategic Growth Fund Class B USD		-1.33	22.53	8.93	4.18

Source: Morningstar, 1st July 2014 – 30th June 2019.

Shareholders and potential Shareholders should note the following statements:

- The figures shown above reflect the past performance of the Sub-Funds and not a projection of the future performance. You should note that the price of shares, and the income from them, can go down as well as up as a result of changes in the value of the underlying securities and currency movements. You may not get back the amount originally invested.
- Past performance is not necessarily a guide to future investment returns.
- Prior to 10 June 2011, the below Sub-Funds had the following names:
    - Defensive Income Fund, formerly known as Cautious Managed Fund
    - Cautious Growth Fund, formerly known as UK Equity Income Fund
    - Balanced Fund, formerly known as Balanced Managed Fund
- Prior to 16 December 2011, the below Sub-Fund had the following name:
    - Defensive Capital Fund, formerly known as Structured Growth Fund
- The Strategic Growth Fund Class A Accumulation shares launched on 16th October 2013
- The Class B Euro (Hedged) Accumulation shares and Class B USD (Hedged) Accumulation shares in all funds launched on 20th March 2015.
- The Defensive Income Fund Class B Accumulation and Strategic Growth Fund Class B Accumulation shares launched on 20th March 2015.
- The Defensive Capital Fund Class A Income and Class C Income shares launched on <0>.
- The Defensive Capital Fund Class C EUR (Hedged) Accumulation and Class C USD (Hedged) Accumulation shares are not yet launched.

Appendix 5

Additional Information

Investment Fund Services Limited acts as authorised corporate director or authorised unit trust manager in respect of the following OEICs and unit trusts:

- Acumen OEIC
- IFSL AMR OEIC
- IFSL Avellemy OEIC
- IFSL Beaufort Investment Funds
- IFSL Brooks Macdonald Fund
- IFSL Brunsdon OEIC
- IFSL Equilibrium OEIC
- IFSL James Hambro Umbrella Fund
- IFSL Ravenscroft Huntress OEIC
- IFSL Sanlam OEIC
- IFSL Select Investment Funds
- IFSL Sinfonia OEIC
- IFSL Tilney Bestinvest Multi Asset Portfolio
- IFSL Tilney Bestinvest Multi Asset Portfolio Series II
- IFSL Trade Union Unit Trust
- Mazarin OEIC
- The Galatea Fund

Directors of Investment Fund Services Limited

The directors of Investment Fund Services Limited are:

Andrew Staley - In addition to his role as director of the Manager, Mr Staley also acts as managing director of Marlborough Investment Management Limited and is a director of Novia Global Limited, Marlborough Investment Management (UK) Limited, Marlborough Unit Trust Managers Limited, Marlborough Group Holdings Limited, Marlborough Fund Managers Limited, UK Travel Limited, Continuum DFM Limited and UFC Fund Management PLC.

Nicholas FJ Cooling - In addition to his role as director of the Manager, Mr Cooling also acts as the investment director of Marlborough Investment Management Limited and is a director of Marlborough Investment Management (UK) Limited, Marlborough Unit Trust Managers Limited, Marlborough Group Holdings Limited, Marlborough Fund Managers Limited, UFC

Fund Management PLC, My Continuum Financial Limited, Continuum DFM Limited, UK Travel Limited and Spinney Lodge Freehold Management Limited.

Wayne Green - Also a director of Marlborough Group Holdings Limited, IFSL Platform Services Limited, IFSL Platform Service Providers Limited, Marlborough Investment Management International Limited, IFSL International Limited, IFSL ICAV, Marlborough International Management Limited, Marlborough Fund Managers Limited, MFM Unit Trust Managers Limited, IFSL Professional Services Limited and IFSL Administration Limited.

Allan Hamer - Also a director of Marlborough Group Holdings Limited, Marlborough Fund Managers Limited, MFM Unit Trust Managers Limited, IFSL Professional Services Limited, IFSL Administration Limited and Marlborough International Fund PCC Limited.

Helen Redmond - Also a director of IFSL Professional Services Limited.

Helen Derbyshire – Also a director of Marlborough Group Holdings Limited, Marlborough Fund Managers Limited and IFSL Administration Limited.

Dominique Clarke - Also a director of Marlborough Group Holdings Limited, IFSL Platform Services Limited, IFSL Platform Service Providers Limited, Marlborough Investment Management International Limited, IFSL International Limited, IFSL ICAV, UFC Fund Management International Holdings Limited, MIM DFM Limited, MIM Discretionary FM Limited, Marlborough Fund Managers Limited, MFM Unit Trust Managers Limited, IFSL Professional Services Limited, IFSL Administration Limited and Philotas Limited.

Richard Goodall – Also a director of Marlborough Group Holdings Limited, Novia Global Limited and Marlborough Fund Managers Limited.

Guy Sears – non-executive director – Also a non-executive director of Marlborough Fund Managers Limited.

David Kiddie – non-executive director – Also a non-executive director of Marlborough Fund Managers Limited.

Sarah Peaston – non-executive director – Also a non-executive director of Marlborough Fund Managers Limited.

Appendix 6

List of Depository Delegates and Sub-delegates

Depositary Delegate (The Custodian)	
BNP Paribas Securities Services	
Depositary Sub-delegates (Sub-Custodians)	
Australia	HSBC Bank Australia Limited
Austria	UniCredit Bank Austria AG
Belgium	BNP Paribas Securities Services
Brazil	BNP Paribas, Avenida Presidente Juscelino Kubitschek, 510, 1st and 10th to 14th floors, São Paulo, Brazil
Bulgaria	UniCredit Bulbank AD
Canada	RBC
Channel Islands	(1) RBC Investor & Treasury Services (2) Deutsche Bank A.G
China	(1) HSBC Bank (China) Company Limited China Sanghai (2) HSBC Bank (China) Company Limited
Croatia	UniCredit Bank Austria AG
Cyprus	HSBC Bank plc
Czech Republic	UniCredit Bank Czech Republic and Slovakia, a.s.
Denmark	Danske Bank A/S
Estonia	Swedbank AS
Finland	Nordea Bank Finland plc
France	Deutsche Bank AG
Germany	Deutsche Bank A.G.
Greece	HSBC Bank PLC Greece
Hong Kong	Standard Chartered Bank
Hungary	UniCredit Bank Hungary Zrt.
India	The Hongkong and Shanghai Banking Corporation Ltd
Indonesia	Standard Chartered Bank
Ireland	RBC Investor Services Trust
Israel	Citibank N.A. Tel Aviv Branch
Japan	CitiBank Japan Ltd
Latvia	Swedbank AS
Lithuania	Swedbank AB

Luxembourg	Euroclear Bank
Malaysia	Standard Chartered Bank Malaysia Berhad
Mexico	Banamex S.A.
Netherlands	BNP Paribas Securities Services
New Zealand	The Hongkong and Shanghai Banking Corporation Limited
Norway	DNB Nor Bank ASA
Poland	Bank Polska Kasa Opieki S.A
Portugal	BNP Paribas Securities Services
Romania	UniCredit Bank S.A.
Singapore	DBS Bank Ltd
Slovakia	UniCredit Bank Slovakia a.s.
Slovenia	UniCredit Bank Austria AG
South Africa	Société Générale
South Korea	The Hongkong and Shanghai Banking Corporation Limited
Spain	RBC Investor & Treasury Services
Sweden	Skandinaviska Enskilda Banken AB (publ)
Switzerland	Credit Suisse AG
Taiwan	HSBC Bank (Taiwan) Limited
Thailand	Standard Chartered Bank (Thai) Pcl
United Kingdom	(1) RBC Investor & Treasury Services (2) Deutsche Bank A.G
United States	The Bank of New York Mellon