

Prospectus of CF Heartwood Multi Asset Funds

(An open-ended investment company incorporated with limited liability and registered in England and Wales under registered number IC000776)



IMPORTANT: IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS PROSPECTUS YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER.

Capita Financial Managers Limited, the authorised corporate director of the Company, is the person responsible for the information contained in this Prospectus. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained herein does not contain any untrue or misleading statement or omit any matters required by the Collective Investment Schemes Sourcebook to be included in it. Capita Financial Managers Limited accepts responsibility accordingly.

This document constitutes the Prospectus for CF Heartwood Multi Asset Funds which has been prepared in accordance with the Collective Investment Schemes Sourcebook.

This Prospectus is dated, and is valid as at, 13 February 2014.

Copies of this Prospectus have been sent to the Financial Conduct Authority and the Depositary.

VCN: 1619

Contents

Clause	Page
1. Definitions	6
2. Details of the Company	8
2.1 General Information	8
2.1.1 General	8
2.1.2 Head Office	8
2.1.3 Address for Service	8
2.1.4 Base Currency	8
2.1.5 Share Capital	8
2.2 The structure of the Company	9
2.2.1 The Sub-funds	9
2.2.2 Shares	9
3. Buying, Redeeming and Switching Shares	10
3.1 Money Laundering	10
3.2 Buying Shares	10
3.2.1 Procedure	10
3.2.2 Documents the buyer will receive	11
3.2.3 Regular Savings Plan	11
3.2.4 Minimum Subscriptions and Holdings	11
3.3 Redeeming Shares	11
3.3.1 Procedure	11
3.3.2 Documents a redeeming Shareholder will receive	12
3.3.3 Minimum Redemption	12
3.4 Switching	12
3.5 Dealing Charges	13
3.5.1 Initial Charge	13
3.5.2 Redemption Charge	13
3.5.3 Charges on Switching	13
3.5.4 Dilution Levy	13
3.5.5 Stamp Duty Reserve Tax ('SDRT')	14
3.6 Transfers	14
3.7 Restrictions and Compulsory Transfer and Redemption	14
3.8 Issue of Shares in Exchange for in Specie Assets	15
3.9 In Specie Redemptions	15
3.10 Suspension of dealings in the Company	15
3.11 Governing Law	15
4. Valuation of the Company	15
4.1 General	15
4.2 Calculation of the Net Asset Value	16
4.3 Price per Share in Each Sub-fund and Each Class	17
4.4 Fair Value Pricing	17
4.5 Pricing Basis	17
4.6 Publication of Prices	17

Contents

Clause	Page
5. Risk Factors	18
5.1 General	18
5.2 Effect of Initial Charge or Redemption Charge	18
5.3 Dilution and SDRT Provision	18
5.4 Charges to Capital	18
5.5 Suspension of Dealings in Shares	18
5.6 Liabilities of the Company and the Sub-Funds	18
5.7 Currency Exchange Rates	18
5.8 Derivatives	18
5.9 Credit and Fixed Interest Securities	18
5.10 Custody	19
5.11 Taxation	19
5.12 Inflation and Interest Rates	19
5.13 Counterparty and Settlement	19
5.14 Counterparty Risk in Over-the-Counter Markets "OTC"	19
5.15 Liquidity Risk	19
5.16 Market Risk	19
5.17 Emerging Markets	19
5.18 Structured Products	20
5.19 Investment in Regulated Collective Investment Schemes	20
5.20 Unregulated Collectives	20
5.21 Investment Trusts	20
5.22 Non-UCITS Retail Schemes (NURS)	20
6. Management and Administration	21
6.1 Regulatory Status	21
6.2 Authorised Corporate Director	21
6.2.1 General	21
6.2.2 Terms of Appointment	21
6.3 The Depositary	22
6.3.1 General	22
6.3.2 Terms of Appointment	22
6.4 The Investment Manager	22
6.4.1 General	22
6.4.2 Terms of Appointment	22
6.5 The Registrar	23
6.5.1 General	23
6.5.2 Register of Shareholders	23
6.6 The Auditors	23
6.7 Conflicts of Interest	23

Contents

Clause	Page
7. Fees and Expenses	23
7.1 Ongoing	23
7.2 Charges payable to the ACD	24
7.2.1 Annual Management Charge	24
7.2.2 Registration Fees	24
7.2.3 Expenses	24
7.3 Depositary's Fee and Expenses	25
7.4 Investment Manager's Fee	26
7.5 Allocation of Fees and Expenses between Sub-funds	26
8. Instrument of Incorporation	26
9. Shareholder Meetings and Voting Rights	26
9.1 Class, Company and Sub-fund Meetings	26
9.2 Requisitions of Meetings	26
9.3 Notice and Quorum	26
9.4 Voting Rights	26
9.5 Variation of Class or Sub-fund Rights	27
10. Taxation	27
10.1 General	27
10.2 The Sub-funds	27
10.3 Shareholders	27
10.3.1 Income	27
10.3.2 Interest	27
10.3.3 Income Equalisation	27
10.3.4 Tax Vouchers	27
10.3.5 Capital Gains	28
10.3.6 EU Savings Directive	28
11. Winding Up of the Company or a Sub-Fund	28
12. General Information	29
12.1 Accounting Periods	29
12.2 Notice to Shareholders	29
12.3 Income Allocations	29
12.4 Annual Reports	29
12.5 Documents of the Company	30
12.6 Material Contracts	30
12.7 Provision of Investment Advice	30
12.8 Telephone Recordings	30
12.9 Complaints	30
12.10 Risk Management	30
12.11 Indemnity	30

Contents

Clause	Page
Appendices	
1. Details of the Sub-funds	31
2. Eligible Securities Markets and Eligible Derivatives Markets	43
3. Investment and Borrowing Powers of the Company	45
4. List of Other Authorised Collective Investment Schemes operated by the ACD	55
5. Past Performance and Investor Profile	57
6. Directory	59

Important Information

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

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

The Shares have not been and will not be registered in the United States of America under any applicable legislation. They may not be offered or sold in the United States of America, any state of the United States of America or in its territories and possessions or offered or sold to US persons. The Company and the ACD have not been and will not be registered in the United States of America under any applicable legislation.

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.

The provisions of the Instrument of Incorporation are binding on each of the Shareholders and a copy of the Instrument of Incorporation is available on request from Capita Financial Managers Limited.

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

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

This Prospectus is based on information, law and practice at the date hereof. The Company and ACD cannot be bound by an out of date prospectus when a new version has been issued and investors should check with Capita Financial Managers Limited that this is the most recently published prospectus.

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

1. Definitions

"ACD"	Capita Financial Managers Limited, the authorised corporate director of the Company.
"ACD Agreement"	An agreement between the Company and the ACD.
"Approved Bank"	(in relation to a bank account opened by the Company): (a) if the account is opened at a branch in the United Kingdom: (i) the Bank of England; or (ii) the central bank of a member state of the OECD; or (iii) a bank; or (iv) a building society; or (v) a bank which is supervised by the central bank or other banking regulator of a member state of the OECD; or (b) if the account is opened elsewhere: (i) a bank in (a); or (ii) a credit institution established in an EEA State other than in the United Kingdom and duly authorised by the relevant Home State Regulator; or (iii) a bank which is regulated in the Isle of Man or the Channel Islands; or (iv) a bank supervised by the South African Reserve Bank.
"Associate"	any other person whose business or domestic relationship with the ACD or the ACD's associate might reasonably be expected to give rise to a community of interest between them which may involve a conflict of interest in dealings with third parties.
"Auditor"	KPMG Audit Plc, or such other entity as is appointed to act as auditor to the Company from time to time.
"Business Day"	a day on which the London Stock Exchange is open. If the London Stock Exchange is closed as a result of a holiday or for any other reason, or there is a holiday elsewhere or other reason which impedes the calculation of the fair market value of the Sub-fund's portfolio of securities or a significant portion thereof, the ACD may decide that any business day shall not be construed as such.
"Class" or "Classes"	in relation to Shares, means (according to the context) all of the Shares related to a single Sub-fund or a particular class or classes of Share related to a single Sub-fund.
"COLL"	refers to the appropriate chapter or rule in the COLL Sourcebook.
"COLL Sourcebook"	the Collective Investment Schemes Sourcebook issued by the FCA as amended from time to time.
"Company"	CF Heartwood Multi Asset Funds.
"Dealing Day"	Monday to Friday where these days are Business Days, between the hours of 8:30 a.m. to 5:30p.m.
"Depository"	BNY Mellon Trust & Depository (UK) Limited, or such other entity as is appointed to act as Depository.
"Director" or "Directors"	the directors of the Company from time to time (including the ACD).
"EEA State"	a member state of the European Union and any other state which is within the European Economic Area.
"Efficient Portfolio Management" or "EPM"	for the purposes of this Prospectus, means an investment technique where derivatives are used for one or more of the following purposes: reduction of risk, reduction of costs or the generation of additional capital or income for the Sub-fund with a risk level which is consistent with the risk profile of the Sub-fund and the risk diversification rules laid down in COLL.
"Eligible Institution"	one of certain eligible institutions as defined in the glossary of definitions to the FCA Handbook.
"the FCA"	the Financial Conduct Authority or any other regulatory body which may assume its regulatory responsibilities from time to time.
"the FCA Handbook"	the FCA Handbook of Rules and Guidance, as amended from time to time.

"the Financial Services Register"

the public record, as required by section 347 of the Financial Services and Markets Act 2000 (The public record) of every:

- (a) authorised person;
- (b) AUT;
- (c) ICVC;
- (d) recognised scheme;
- (e) recognised investment exchange;
- (f) recognised clearing house;
- (g) individual to whom a prohibition order relates;
- (h) approved person; and
- (i) person within such other class (if any) as the FCA may determine; except as provided by any transitional provisions.

"Home State"

- (1) (in relation to a credit institution) the EEA State in which the credit institution has been authorised in accordance with the Banking Consolidation Directive.
- (2) (in relation to an investment firm):
 - (a) where the investment firm is a natural person, the EEA State in which his head office is situated;
 - (b) where the investment firm is a legal person, the EEA State in which its registered office is situated or, if under its national law it has no registered office, the EEA State in which its head office is situated.
- (3) (in relation to an insurer with an EEA right) the EEA State in which the registered office of the insurer is situated.
- (4) (in relation to a market) the EEA State in which the registered office of the body which provides trading facilities is situated or, if under its national law it has no registered office, the EEA State in which that body's head office is situated.
- (5) (in relation to a Treaty firm) the EEA State in which its head office is situated, in accordance with paragraph 1 of Schedule 4 to the Act (Treaty rights).

"ICVC"

Investment Company with Variable Capital.

"Instrument of Incorporation"

the instrument of incorporation of the Company as amended from time to time.

"Investment Manager"

Heartwood Wealth Management Limited the investment manager to the ACD in respect of the Company.

"IOSCO"

the International Organisation of Securities Commissions.

"Net Asset Value" or "NAV"

the value of the Scheme Property of the Company or of any Sub-fund (as the context may require) less the liabilities of the Company (or of the Sub-fund concerned) as calculated in accordance with the Instrument of incorporation.

"Non-UCITS retail scheme"

a scheme which is not constituted in accordance with the UCITS Directive (a European Directive relating to undertakings for collective investment in transferable securities which has been adopted in the UK) but is available to retail investors.

"OEIC Regulations"

the Open-Ended Investment Companies Regulations 2001 as amended or re-enacted from time to time.

"OTC"

Over-the-Counter Derivative: a derivative transaction which is not traded on an investment exchange.

"Register"

the register of Shareholders of the Company.

"Registrar"

Capita Financial Administrators Limited, or such other entity as is appointed to act as Registrar to the Company from time to time.

"Regulated Activities Order"

the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544).

"Regulations"

the OEIC Regulations and the FCA Handbook (including the COLL Sourcebook).

"Scheme Property"

the scheme property of the Company or a Sub-fund (as appropriate) required under the COLL Sourcebook to be given for safekeeping to the Depositary.

"SDRT"	Stamp Duty Reserve Tax.
"Share" or "Shares"	a share or shares in the Company (including larger denomination shares, and smaller denomination shares equivalent to one thousandth of a larger denomination share).
"Shareholder"	a holder of registered Shares in the Company.
"Sub-fund" or "Sub-funds"	a sub-fund of the Company (being part of the Scheme Property of the Company which is pooled separately) 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.
"Switch"	the exchange where permissible of Shares of one Class or Sub-fund for Shares of another Class or Sub-fund.
"Valuation Point"	the point on a Dealing Day whether on a periodic basis or for a particular valuation, at which the ACD carries out a valuation of the Scheme Property for the Company or a Sub-fund (as the case may be) for the purpose of determining the price at which Shares of a Class may be issued, cancelled or redeemed. The current Valuation Point is 10.00 a.m. London time on each Dealing Day with the exception of Christmas Eve and New Year's Eve or a bank holiday in England and Wales, or the last Business Day prior to those days annually where the valuation may be carried out at a time agreed in advance between the ACD and the Depositary.
"VAT"	Value Added Tax.

2. Details of the Company

2.1 General Information

2.1.1 General

CF Heartwood Multi Asset Funds (the Company) is an umbrella investment company with variable capital incorporated in England and Wales under registered number IC000776 and authorised by the Financial Conduct Authority with effect from 10 November 2009. The Company has an unlimited duration.

Shareholders are not liable for the debts of the Company. A Shareholder is not liable to make any further payment to the Company after he has paid the price on purchase of the Shares.

The ACD is also the manager of certain authorised unit trusts and open-ended investment companies details of which are set out in Appendix IV.

2.1.2 Head Office

The head office of the Company is at Ibex House, 42 – 47 Minories, London, EC3N 1DX.

2.1.3 Address for Service

The head office is the address of the place in the UK for service on the Company of notices or other documents required or authorised to be served on it.

2.1.4 Base Currency

The base currency of the Company and each Sub-fund is Pounds Sterling.

2.1.5 Share Capital

Maximum	£100,000,000,000
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Minimum	£1
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Shares have no par value. The share capital of the Company at all times equals the sum of the Net Asset Values of each of the Sub-funds.

Shares in the Company may be marketed in other Member States and in countries outside the European Union and European Economic Area, subject to the Regulations, and any regulatory constraints in those countries, if the ACD so decides.

Each of the Sub-funds of the Company is designed and managed to support longer-term investment and active trading is discouraged. Short-term or excessive trading into and out of a Sub-fund may harm performance by disrupting portfolio management strategies and by increasing expenses. The ACD may at its discretion refuse to accept applications for, or switching of, Shares, especially where transactions are deemed disruptive, particularly from possible market timers or investors who, in its opinion, have a pattern of short-term or excessive trading or whose trading has been or may be disruptive to a Sub-fund(s). For these purposes, the ACD may consider an investor's trading history in the Sub-fund(s) or other Capita Financial Managers Limited funds and accounts under common ownership or control.

2.2 The structure of the Company

2.2.1 The Sub-funds

The Company is structured as an umbrella company, in that different Sub-funds may be established from time to time by the ACD with the approval of the FCA. On the introduction of any new Sub-fund or Class, a revised prospectus will be prepared setting out the relevant details of each Sub-fund or Class.

The Company is a non-UCITS retail scheme.

The assets of each Sub-fund will be treated as separate from those of every other Sub-fund and will be invested in accordance with the investment objective and investment policy applicable to that Sub-fund. Investment of the assets of each of the Sub-funds must comply with the COLL Sourcebook and the investment objective and policy of the relevant Sub-fund. Details of the Sub-funds, including their investment objectives and policies, are set out in Appendix I.

The eligible securities markets and eligible derivatives markets on which the Sub-funds may invest are set out in Appendix II. A detailed statement of the general investment and borrowing restrictions in respect of each type of Sub-fund is set out in Appendix III.

The Sub-funds are segregated portfolios of assets and, accordingly, the assets of a Sub-fund belong exclusively to that Sub-fund and shall not be used or made available 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.

Subject to the above, each Sub-fund will be charged with the liabilities, expenses, costs and charges of the Company attributable to that Sub-fund, and within each Sub-fund charges will be allocated between Classes in accordance with the terms of issue of Shares of those Classes. Any assets, liabilities, expenses, costs or charges not attributable to a particular Sub-fund may be allocated by the ACD in a manner which it believes is fair to the Shareholders generally. This will normally be pro rata to the Net Asset Value of the relevant Sub-funds.

Please also see paragraph 5.6 below "Liabilities of the Company and the Sub-funds".

2.2.2 Shares

Classes of Share within the Sub-funds

Shares will be issued in larger and smaller denominations. There are 1,000 smaller denomination Shares to each larger denomination Share. Smaller denomination Shares represent what, in other terms, might be called fractions of a larger Share and have proportionate rights.

Shares have no par value and, within each Class in each Sub-fund subject to their denomination, are entitled to participate equally in the profits arising in respect of, and in the proceeds of, the liquidation of the Company or termination of a relevant Sub-fund. Shares do not carry preferential or pre-emptive rights to acquire further Shares.

Further Classes of Share may be established from time to time by the ACD with the agreement of the Depositary and in accordance with the Instrument of Incorporation and the Regulations. On the introduction of any new Sub-fund or Class, either a revised prospectus or a supplemental prospectus will be prepared, setting out the details of Sub-fund or each Class.

The currency in which each new Class of Shares will be denominated will be determined at the date of creation and set out in the Prospectus issued in respect of the new Class of Shares.

The net proceeds from subscriptions to a Sub-fund will be invested in the specific pool of assets constituting that Sub-fund. The Company will maintain for each current Sub-fund a separate pool of assets, each invested for the exclusive benefit of the relevant Sub-fund.

To the extent that any Scheme Property, or any assets to be received as part of the Scheme Property, or any costs, charges or expenses to be paid out of the Scheme Property, are not attributable to one Sub-fund only, the ACD will allocate such Scheme Property, assets, costs, charges or expenses between Sub-funds in a manner which is fair to all Shareholders of the Company.

The following Classes of Share may be issued in respect of each Sub-fund:

- Class A income and accumulation
- Class B income and accumulation
- Class C income and accumulation
- Class I income and accumulation
- Class H income and accumulation (not publicly available)

Further details of the Shares presently available for each Sub-fund, including details of their criteria for subscription and fee structure, are set out in Appendix I.

A Regular Savings Plan is not currently available.

Holders of income Shares are entitled to be paid the distributable income attributed to such Shares on any relevant interim and 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.

The Instrument of Incorporation allows gross income and gross accumulation Shares to be issued, 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 Shareholders (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. All references in this Prospectus are to net Shares unless otherwise stated.

Where a Sub-fund has different Classes, each Class may attract different charges and so monies may be deducted from the Scheme Property attributable to such Classes in unequal proportions. In these circumstances, the proportionate interests of the Classes within a Sub-fund will be adjusted accordingly.

Shareholders are entitled (subject to certain restrictions) to Switch all or part of their Shares in a Class or a Sub-fund for Shares of another Class within the same Sub-fund or for Shares of the same or another Class within a different Sub-fund of the Company. Details of this switching facility and the restrictions are set out in paragraph 3.4 "Switching".

3. Buying, Redeeming and Switching Shares

The dealing office of the ACD is normally open from 8.30 a.m. to 5.30 p.m. (London time) on each Business Day to receive postal requests for the purchase, sale and switching of Shares. The ACD may vary these times at its discretion. Requests to deal in Shares may also be made by telephone on each Business Day (at the ACD's discretion) between 8.30 a.m. and 5.30 p.m. (London time) directly to the office of the ACD (telephone: 0845 922 0044 or such other number as published from time to time). The initial purchase must, at the discretion of the ACD, be accompanied by an application form.

The ACD will accept instructions to transfer or renunciation of title to Shares on the basis of an authority communicated by electronic means and sent by the Shareholder or delivered on their behalf by a person that is authorised by the FCA or regulated in another jurisdiction by an equivalent supervisory authority, subject to:

- a) prior agreement between the ACD and the person making the communication as to:
 - (1) the electronic media by which such communications may be delivered; and
 - (2) how such communications will be identified as conveying the necessary authority; and
- b) assurance from any person who may give such authority on behalf of the investor that they will have obtained the required appointment in writing from the Shareholder.

Telephone calls will be recorded. The ACD may also, at its discretion, introduce further methods of dealing in Shares in the future.

In its dealings in Shares of the Sub-funds the ACD is dealing as principal. The ACD does not actively seek to make a profit from dealing in Shares as principal but does so in order to facilitate the efficient management of the Company. The ACD is not accountable to Shareholders for any profit it makes from dealing in Shares as principal.

3.1 Money Laundering

As a result of legislation in force in the UK to prevent money laundering, the ACD is responsible for compliance with anti money laundering regulations. In order to implement these regulations, in certain circumstances investors may be asked to provide proof of identity when buying or redeeming Shares. 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 the investor. In the case of a purchase of Shares where the applicant is not willing or is unable to provide the information requested 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.

3.2 Buying Shares

3.2.1 Procedure

Shares may be bought directly from the ACD or through a professional adviser or other intermediary. Any intermediary who recommends an investment in the Company to Shareholders may be entitled to receive commission from the ACD. An ongoing commission, based on the value of Shares held may also be paid to qualifying intermediaries. In addition, the ACD may from time to time make arrangements to allow Shares to be bought through other communication media. For details of dealing charges see paragraph 3.5 below. Application forms may be obtained from the ACD.

Valid applications to purchase Shares in a Sub-fund will be processed at the Share price calculated, based on the Net Asset Value per Share, at the next Valuation Point following receipt of the application, except in the case where dealing in a Sub-fund has been suspended as set out in paragraph 3.10.

Settlement is due within 4 Business Days of the Valuation Point. An order for the purchase of Shares will only be deemed to have been accepted by the ACD once it is in receipt of cleared funds for the application.

For amounts in excess of £50,000, settlement must be made by electronic bank transfer to the bank account detailed on the application form. Otherwise, a cheque should be sent for the net amount, made payable to "Capita Financial Managers Limited", at: 2 The Boulevard, City West One Office Park, Gelderd Road, Leeds LS12 6NT.

The ACD, at its discretion, has the right to cancel a purchase deal if settlement is materially overdue (being more than 5 Business Days of receipt of an application form or other instruction) and any loss arising on such cancellation shall be the liability of the applicant. The ACD is not obliged to issue Shares unless it has received cleared funds from an investor.

The ACD reserves the right to charge interest at 4% above the prevailing Bank of England base rate, on the value of any settlement received later than the 4th Business Day following the Valuation Point. No interest will be paid on funds held prior to investment. Shares that have not been paid for cannot be redeemed.

A purchase of Shares in writing or by telephone or any other communication media made available is a legally binding contract. Applications to purchase, once made are, except in the case where cancellation rights are applied, irrevocable. For postal applications payment must be received in full and accompany the application. Payment must be made by cheque or if the amount is in excess of £50,000, settlement must be made by electronic bank transfer to the bank account detailed on the application form.

However, subject to its obligations under the Regulations, the ACD has the right to reject, on reasonable grounds relating to the circumstances of the applicant, any application for Shares in whole or part, and in this event the ACD will return any money sent, or the balance of such monies, at the risk of the applicant.

Any subscription monies remaining after a whole number of Shares have been issued will not be returned to the applicant. Instead, smaller denomination Shares will be issued. A smaller denomination Share is equivalent to one thousandth of a larger denomination Share.

Applicants who have received advice may have the right to cancel their application to buy Shares at any time during the 14 days after the date on which they receive a cancellation notice from the ACD. If an applicant decides to cancel the contract, and the value of the investment has fallen at the time the ACD receives the completed cancellation notice, they will not receive a full refund as an amount equal to any fall in value will be deducted from the sum originally invested.

3.2.2 Documents the buyer will receive

A confirmation giving details of the number and price of Shares bought will be issued no later than the end of the Business Day following the Valuation Point by reference to which the price is determined, together with, where appropriate, a notice of the applicant's right to cancel.

Registration of Shares can only be completed by the ACD upon receipt of any required registration details. These details may be supplied in writing to the ACD or by returning to the ACD the properly completed registration form and copy of the confirmation.

Share certificates will not be issued in respect of Shares. Ownership of Shares will be evidenced by an entry on the Register. Tax vouchers in respect of periodic distributions on Shares will show the number of Shares held by the recipient.

3.2.3 Regular Savings Plan

The ACD does not currently offer a Regular Savings Plan.

3.2.4 Minimum Subscriptions and Holdings

The minimum initial subscriptions, subsequent subscriptions and holdings levels for each Class of Share in a Sub-fund are set out in Appendix I.

The ACD may at its sole discretion accept subscriptions and/or holdings lower than the minimum amount(s).

If following a redemption, Switch or transfer, a holding in any Class of Share should fall below the minimum holding for that Class, the ACD has the discretion to effect a redemption of that Shareholder's entire holding in that Class of Share. The ACD may use this discretion at any time. Failure not to do so immediately after such redemption, Switch or transfer does not remove this right.

3.3 Redeeming Shares

3.3.1 Procedure

Every Shareholder is entitled on any Dealing Day to redeem its Shares, which shall be purchased by the ACD dealing as principal.

Valid instructions to the ACD to redeem Shares in a Sub-fund will be processed at the Share price calculated, based on the Net Asset Value per Share, at the next Valuation Point following receipt of the instruction, except in the case where dealing in a Sub-fund has been suspended as set out in paragraph 3.10.

A redemption instruction in respect of Shares in writing or by telephone or any other communication media made available is a legally binding contract. However, an instruction to the ACD to redeem Shares, although irrevocable, may not be settled by either the Company or the ACD if the redemption represents Shares where the money due on the earlier purchase of those Shares has not yet been received or if insufficient documentation or anti-money laundering information has been received by the ACD.

For details of dealing charges see paragraph 3.5 below.

3.3.2 Documents a redeeming Shareholder will receive

A confirmation giving details of the number and price of Shares redeemed will be sent to the redeeming Shareholder (or the first named Shareholder, in the case of joint Shareholders) together with (if sufficient written instructions have not already been given) a form of renunciation for completion and execution by the Shareholder (or, in the case of a joint holding, by all the joint Shareholders) no later than the end of the Business Day following the later of the request to redeem Shares or the Valuation Point by reference to which the price is determined.

Payment of redemption proceeds will normally be made by cheque to the first named Shareholder (at their risk), or, at the ACD's discretion, via electronic means in accordance with any instruction received (the ACD may recover any bank charge levied on such transfers). Instructions to make payments to third parties (other than intermediaries associated with the redemption) will not normally be accepted.

Such payment will be made within four Business Days of the later of (a) receipt by the ACD of the form of renunciation (or other sufficient written instructions) duly signed and completed by all the relevant Shareholders together with any other documentation and appropriate evidence of title, any required anti-money laundering related documentation, and (b) the Valuation Point following receipt by the ACD of the request to redeem.

No interest will be paid on funds held whilst the ACD awaits receipt of all relevant documentation necessary to complete a redemption. Shares that have not been paid for cannot be redeemed.

3.3.3 Minimum Redemption

Part of a Shareholder's holding may be redeemed but the ACD reserves the right to refuse a redemption request if the value of the Shares of any Sub-fund to be redeemed is less than the minimum stated in respect of the appropriate Class in the Sub-fund in question (see Appendix I).

3.4 Switching

Subject to any restrictions on the eligibility of investors for a particular Share Class, a Shareholder in a Sub-fund may at any time Switch all or some of his Shares of one Class or Sub-fund ("the Original Shares") for Shares of another Class or Sub-fund ("the New Shares") in the Company. The number of New Shares issued will be determined by reference to the respective prices of New Shares and Original Shares at the Valuation Point applicable at the time the Original Shares are redeemed and the New Shares are issued.

Telephone switching instructions may be given but Shareholders are required to provide written instructions to the ACD (which, in the case of joint Shareholders, must be signed by all the joint Shareholders) before switching is effected.

The ACD may at its discretion make a charge on the switching of Shares between Sub-funds or Classes. Any such charge on switching does not constitute a separate charge payable by a Shareholder, but is rather the application of any redemption charge on the Original Shares and any initial charge on the New Shares, subject to certain waivers. For details of the charges on switching currently payable, please see paragraph 3.5.3 "Charges on Switching".

If a partial Switch would result in the Shareholder holding a number of Original Shares or New Shares of a value which is less than the minimum holding in the Class concerned, the ACD may, if it thinks fit, convert the whole of the applicant's holding of Original Shares to New Shares (and make a charge on switching on such conversion) or refuse to effect any Switch of the Original Shares. Save as otherwise specifically set out, the general provisions on procedures relating to redemption will apply equally to a Switch. Written instructions must be received by the ACD before the Valuation Point on a Dealing Day in the Sub-fund or Sub-funds concerned to be dealt with at the prices at the Valuation Point on that Dealing Day or at such other Valuation Point as the ACD at the request of the Shareholder giving the relevant instruction may agree. Switching requests received after a Valuation Point will be held over until the next day which is a Dealing Day in each of the relevant Sub-fund or Sub-funds.

The ACD may adjust the number of New Shares to be issued to reflect the application of any charge on switching together with any other charges or levies in respect of the application for the New Shares or redemption of the Original Shares as may be permitted pursuant to the COLL Sourcebook.

Please note that under UK tax law a Switch of Shares in one Sub-fund for Shares in any other Sub-fund is treated as a redemption of the Original Shares and a purchase of New Shares and will, for persons subject to taxation, be a disposal of the Original Shares for the purposes of capital gains taxation, which may give rise to a liability to tax, depending upon the Shareholder's circumstances.

A Shareholder who Switches Shares in one Sub-fund for Shares in any other Sub-fund (or who Switches between Classes of Shares) will not be given a right by law to withdraw from or cancel the transaction.

3.5 Dealing Charges

The price per Share at which Shares are bought, redeemed or switched is the Net Asset Value per Share. Any initial charge or redemption charge, (or dilution levy or SDRT on a specific deal, if applicable) is payable in addition to the price or deducted from the proceeds and is taken from the gross subscription or redemption monies.

3.5.1 Initial Charge

The ACD may impose a charge on the purchase of Shares in each Class. The current initial charge is calculated as a percentage of the amount invested by a potential Shareholder in respect of each Sub-fund as set out in Appendix I. The ACD may waive or discount the initial charge at its discretion.

The initial charge (which is deducted from subscription monies) is payable by the Shareholder to the ACD.

The current initial charge of a Class may only be increased in accordance with the Regulations.

From the initial charge received, or out of its other resources, the ACD may pay a commission to relevant intermediaries including the Investment Manager and its Associates.

3.5.2 Redemption Charge

The ACD may make a charge on the redemption of Shares in each Class. At present, no redemption charge is levied.

The ACD may only introduce a redemption charge in accordance with the Regulations. Also, if such a charge was introduced, it would not apply to Shares issued before the date of the introduction (i.e., those not previously subject to a redemption charge).

3.5.3 Charges on Switching

On the switching of Shares between Sub-funds or Classes in the Company the Instrument of Incorporation authorises the Company to impose a charge on switching.

The ACD's current policy is to only levy a charge on switching between Sub-funds that is no more than the excess of the initial charge applicable to New Shares over the initial charge applicable to the Original Shares. The ACD does not currently make a charge on switching between Sub-funds or Share classes.

3.5.4 Dilution Levy

The actual cost of purchasing, selling or switching underlying investments in a Sub-fund may deviate from the mid-market value used in calculating its Share price, due to dealing charges, taxes, and any spread between buying and selling prices of the Sub-fund's underlying investments. These dealing costs could have an adverse effect on the value of a Sub-fund, known as "dilution". In order to mitigate the effect of dilution the Regulations allow the ACD to make a dilution levy on the purchase, redemption or Switch of Shares in a Sub-fund. A dilution levy is a separate charge of such amount or at such rate as is determined by the ACD to be made for the purpose of reducing the effect of dilution. This amount is not retained by the ACD, but is paid into the relevant Sub-fund.

The dilution levy is calculated by reference to the costs of dealing in the underlying investments of the relevant Sub-fund, including any dealing spreads, commission and transfer taxes.

The need to charge a dilution levy will depend on the volume of purchases and redemptions. It is not possible to predict accurately whether dilution would occur at any point in time.

The ACD's policy is that it may require a dilution levy on the purchase and redemption of Shares if, in its opinion, the existing Shareholders (for purchases) or remaining Shareholders (for redemptions) might otherwise be adversely affected. For example, the dilution levy may be charged in the following circumstances: where the Scheme Property of a Sub-fund is in continual decline; on a Sub-fund experiencing large levels of net purchases relative to its size; on "large deals" (typically being a purchase or redemption of Shares to a size exceeding 5% of the Net Asset Value of the relevant Sub-fund); in any case where the ACD is of the opinion that the interests of existing or remaining Shareholders require the imposition of a dilution levy.

This policy is intended to mitigate the dilutive effect of Shareholder transactions on the future growth of the Company. Based on future projections and on its experience of managing the Company the ACD is unlikely to impose a dilution levy unless it considers that the dealing costs relating to a Shareholder transaction are significant and will have a material impact on the relevant Sub-fund.

If a dilution levy is required then, based on future projections, the estimated rate of such a levy would be up to 0.75%.

The ACD, in its absolute discretion, may waive or reduce the dilution levy. The ACD may alter its current dilution policy in accordance with the procedure set out in the Regulations.

3.5.5 Stamp Duty Reserve Tax ("SDRT")

SDRT is charged on the surrender of Shares to the Company and on certain transfers of Shares. The SDRT due is calculated at the rate of 0.5 percent of the market value of the Shares surrendered. This charge is subject to reduction in accordance with reliefs available from time to time.

The current policy is that all SDRT costs will be paid out of the Company's Scheme Property and charged to capital. SDRT will not be recovered from Shareholders. However, the ACD reserves the right to require Shareholders to pay SDRT whenever it considers that the circumstances have arisen which make such imposition fair to all Shareholders or potential Shareholders. The ACD may impose an SDRT provision on large deals when no SDRT provision is imposed on smaller deals or which is larger than that imposed on smaller deals. A "large deal" is a transaction (or a series of transactions in one dealing period) by any person to buy, sell or exchange Shares of £15,000 or more. In the event there is a change in this policy the ACD will give prior notification of such change to Shareholders prior to it taking effect.

Since the authorisation of the Company to the date of this Prospectus it has not been necessary to recover any SDRT from Shareholders on any dealings in the Shares. Although it cannot be guaranteed, it is the opinion of the ACD that SDRT will rarely be recovered from Shareholders on the sale of Shares. This statement is based on the ACD's current policy for SDRT as detailed above. If imposed on a particular deal the maximum provision for SDRT shall always be equivalent to the current rate of SDRT.

3.6 Transfers

Shareholders are entitled to transfer their Shares to another person or body. All transfers must be in writing in the form of an instrument of transfer approved by the ACD for this purpose. Completed instruments of transfer must be returned to the ACD in order for the transfer to be registered by the ACD. The ACD may refuse to register a transfer unless any provision for SDRT due has been paid.

3.7 Restrictions and Compulsory Transfer and Redemption

The ACD may from time to time impose such restrictions as it may think necessary for the purpose of ensuring that no Shares are acquired or held by any person in breach of the law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory or which would result in the Company incurring any liability to taxation which the Company is not able to recoup itself or suffering any other adverse consequence. In this connection, the ACD may, inter alia, reject in its discretion any application for the purchase, redemption, transfer or switching of Shares.

If it comes to the notice of the ACD that any Shares ("affected Shares"):

- (a) are owned directly or beneficially in breach of any law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory; or
- (b) would result in the Company incurring any liability to taxation which the Company would not be able to recoup itself 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;
- (d) are owned by a Shareholder who is registered in a jurisdiction (where the Company is not registered or recognised by the relevant competent authority) whereby communication with that Shareholder by the ACD, on behalf of the Company, might constitute a breach of the regulations in that jurisdiction (unless specific action is taken by the ACD to prevent such a communication constituting a breach);

the ACD may give notice to the Shareholder(s) of the affected Shares requiring the transfer of such Shares to a person who is qualified or entitled to own them or that a request in writing be given for the redemption of such Shares in accordance with the COLL Sourcebook. If any Shareholder upon whom such a notice is served does not within 30 days after the date of such notice transfer his affected Shares to a person qualified to own them or submit a written request for their redemption to the ACD or establish to the satisfaction of the ACD (whose judgement is final and binding) that he or the beneficial owner is qualified and entitled to own the affected Shares, he shall be deemed upon the expiry of that 30 day period to have given a request in writing for the redemption or cancellation (at the discretion of the ACD) of all the affected Shares.

A Shareholder who becomes aware that he is holding or owns affected Shares shall immediately, unless he has already received a notice as set out above, either transfer all his affected Shares to a person qualified to own them or submit a request in writing to the ACD for the redemption of all his affected Shares.

Where a request in writing is given or deemed to be given for the redemption of affected Shares, such redemption will (if effected) be effected in the same manner as provided for in the COLL Sourcebook.

3.8 Issue of Shares in Exchange for in Specie Assets

The ACD may arrange for the Company to issue Shares in exchange for assets other than cash, but will only do so where the Depositary has taken reasonable care to determine that the Company's acquisition of those assets in exchange for the Shares concerned is not likely to result in any material prejudice to the interests of Shareholders.

The ACD will ensure that the beneficial interest in the assets is transferred to the Company with effect from the issue of the Shares.

The ACD will not issue Shares in any Sub-fund in exchange for assets the holding of which would be inconsistent with the investment objective or policy of that Sub-fund.

3.9 In Specie Redemptions

If a Shareholder requests the redemption of Shares the ACD may, where it considers that deal to be substantial in relation to the total size of a Sub-fund or in some way detrimental to a Sub-fund, arrange for scheme property having the appropriate value to be transferred to the Shareholder (an 'in specie transfer'), in place of payment for the Shares in cash. Before the redemption is effected, the ACD must give written notice to the Shareholder of the intention to make an in specie transfer, so that the Shareholder can require the net proceeds from the sale of the relevant scheme property (rather than the scheme property itself) if the Shareholder so desires.

Under the current policy, as noted above, an investor may request the ACD to sell the in specie assets and pay the proceeds to the investor. With effect from **12 December 2013** this right is removed.

The ACD will select the property to be transferred in consultation with the Depositary. The ACD and Depositary must ensure that the selection is made with a view to achieving no more advantage or disadvantage to the Shareholder requesting the redemption than to the continuing Shareholders.

3.10 Suspension of dealings in the Company

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 and redemption of Shares in any or all of the Sub-funds where due to exceptional circumstances it is in the interests of all the Shareholders in the relevant Sub-fund or Sub-funds.

The ACD and the Depositary must ensure that the suspension is only allowed to continue for as long as is justified having regard to the interests of Shareholders.

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

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

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

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

Suspension will cease as soon as practicable after the exceptional circumstances leading to the suspension have ceased but the ACD and the Depositary will formally review the suspension at least every 28 days and will inform the FCA of the review and any change to the information given to Shareholders.

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 the restart of dealings in Shares.

3.11 Governing Law

All deals in Shares are governed by the law of England and Wales.

4. Valuation of the Company

4.1 General

The price of a Share is calculated by reference to the Net Asset Value of the Sub-fund to which it relates. The Net Asset Value per Share of a Sub-fund is currently calculated at 10.00 a.m. (London time) (this being the Valuation Point) on each Dealing Day.

The ACD may at any time during a Business Day carry out an additional valuation if it considers it desirable to do so. The ACD shall inform the Depositary of any decision to carry out any such additional valuation. Valuations may be carried out for effecting a scheme of amalgamation or reconstruction which do not create a Valuation Point for the purposes of dealings. Where permitted and subject to the Regulations, the ACD may, in certain circumstances (for example where a significant event has occurred since the closure of a market) substitute a price with a more appropriate price which in its opinion reflects a fair and reasonable price for that investment.

The ACD will, upon completion of each valuation, notify the Depositary of the price of Shares, of each Class of each Sub-fund and the amount of any dilution levy applicable in respect of any purchase or redemption of Shares.

A request for dealing in Shares must be received by the Valuation Point on a particular Dealing Day in order to be processed on that Dealing Day. A dealing request received after this time will be held over and processed on the next Dealing Day, using the Net Asset Value per Share calculated as at the Valuation Point on that next Dealing Day.

4.2 Calculation of the Net Asset Value

The value of the Scheme Property shall be the value of its assets less the value of its liabilities determined in accordance with the following provisions:

4.2.1 All the Scheme Property (including receivables) is to be included, subject to the following provisions.

4.2.2 Scheme Property which is not cash (or other assets dealt with in paragraph 4.2.2.4 below) or a contingent liability transaction shall be valued as follows and the prices used shall (subject as follows) be the most recent prices which it is practicable to obtain:

4.2.2.1 Units or shares in a collective investment scheme:

- (a) if a single price for buying and redeeming units or shares is quoted, at that price; or
- (b) if separate buying and redemption prices are quoted, at the average of the two prices provided the buying price has been reduced by any initial charge included therein and the redemption price has been increased by any exit or redemption charge attributable thereto; or
- (c) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no recent price exists or if the most recent price available does not reflect the ACD's best estimate of the value of the units or shares, at a value which, in the opinion of the ACD, is fair and reasonable;

4.2.2.2 Any other transferable security:

- (a) if a single price for buying and redeeming the security is quoted, at that price; or
- (b) if separate buying and redemption prices are quoted, at the average of the two prices; or
- (c) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no recent price exists or if the most recent price available does not reflect the ACD's best estimate of the value of the security, at a value which, in the opinion of the ACD, is fair and reasonable;

4.2.2.3 Scheme Property other than that described in paragraphs 4.2.2.1 and 4.2.2.2 above, at a value which, in the opinion of the ACD, is fair and reasonable;

4.2.2.4 Cash and amounts held in current and deposit accounts and in other time related deposits shall be valued at their nominal values.

4.2.3 Scheme Property which is a contingent liability transaction shall be treated as follows:

4.2.3.1 if it is a written option (and the premium for writing the option has become part of the Scheme Property), deduct the amount of the net valuation of premium receivable. If the Scheme Property is an off exchange option the method of valuation shall be agreed between the ACD and the Depositary;

4.2.3.2 if it is an off exchange future, include it at the net value of closing out in accordance with a valuation method agreed between the ACD and the Depositary;

4.2.3.3 if it is any other form of contingent liability transaction, include it at the net value on closing out (whether as a positive or negative value). If the Scheme Property is an off exchange derivative, include it at a valuation method agreed between the ACD and the Depositary.

4.2.4 In determining the value of the Scheme Property, all instructions given to issue or cancel Shares shall be assumed to have been carried out (and any cash paid or received) whether or not this is the case.

4.2.5 Subject to paragraphs 4.2.6 and 4.2.7 below, agreements for the unconditional sale or purchase of Scheme 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 if, in the opinion of the ACD, their omission will not materially affect the final net asset amount.

4.2.6 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 paragraph 4.2.5.

4.2.7 All agreements are to be included under paragraph 4.2.5 which are, or ought reasonably to have been, known to the person valuing the Scheme Property.

4.2.8 Deduct an estimated amount for anticipated tax liabilities at that point in time including (as applicable and without limitation) capital gains tax, income tax, corporation tax, VAT, stamp duty, SDRT and any foreign taxes or duties.

- 4.2.9 Deduct an estimated amount for any liabilities payable out of the Scheme Property and any tax or duty thereon, treating periodic items as accruing from day to day.
- 4.2.10 Deduct the principal amount of any outstanding borrowings whenever repayable and any accrued but unpaid interest on borrowings.
- 4.2.11 Add an estimated amount for accrued claims for tax of whatever nature which may be recoverable.
- 4.2.12 Add any other credits or amounts due to be paid into the Scheme Property.
- 4.2.13 Add a sum representing any interest or any income accrued due or deemed to have accrued but not received.
- 4.2.14 Currencies or values in currencies other than Sterling 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.

4.3 Price per Share in Each Sub-fund and Each Class

The price per Share at which Shares are bought or are redeemed is the Net Asset Value per Share. Any initial charge or redemption charge, (or dilution levy or SDRT on a specific deal, if applicable) is payable in addition to the price or deducted from the proceeds and is taken from the gross subscription or redemption monies.

Each allocation of income made in respect of any Sub-fund at a time when more than one Class is in issue in respect of that Sub-fund shall be done by reference to the relevant Shareholder's proportionate interest in the income property of the Sub-fund in question calculated in accordance with the Instrument of Incorporation.

4.4 Fair Value Pricing

- 4.4.1 Where the ACD has reasonable grounds to believe that:
 - 4.4.1.1 no reliable price exists for a security (including a unit/share in a collective investment scheme) at a Valuation Point; or
 - 4.4.1.2 the most recent price available does not reflect the ACD's best estimate of the value of the security (including a unit/share in a collective investment scheme) at the Valuation Point;
 - 4.4.1.3 it can value an investment at a price which, in its opinion, reflects a fair and reasonable price for that investment (the fair value price).
- 4.4.2 The circumstances which may give rise to a fair value price being used include:
 - 4.4.2.1 no recent trade in the security concerned; or
 - 4.4.2.2 suspension of dealings in the security concerned; or
 - 4.4.2.3 the occurrence of a significant event since the most recent closure of the market where the price of the security is taken.
- 4.4.3 In determining whether to use such a fair value price, the ACD will include in their consideration but need not be limited to:
 - 4.4.3.1 the type of authorised fund concerned;
 - 4.4.3.2 the securities involved;
 - 4.4.3.3 whether the underlying collective investment schemes may already have applied fair value pricing;
 - 4.4.3.4 the basis and reliability of the alternative price used; and
 - 4.4.3.5 the ACD's policy on the valuation of Scheme Property as disclosed in this Prospectus.

4.5 Pricing Basis

The ACD deals on a forward pricing basis. A forward price is the price calculated at the next Valuation Point after the purchase or redemption is deemed to be accepted by the ACD. Shares in the Company are single priced.

Prices of Shares in the Sub-funds are expressed in Pounds Sterling.

4.6 Publication of Prices

The prices of all Shares are available at www.fundlistings.com and on the Bloomberg website: www.bloomberg.com. The Share price of Class 'B' Accumulation Shares for the CF Heartwood Cautious Multi Asset Fund, the CF Heartwood Balanced Multi Asset Fund, the CF Heartwood Growth Multi Asset Fund, and the CF Heartwood Defensive Multi Asset Fund and the Class 'B' Income Shares for the CF Heartwood Balanced Income Multi Asset Fund and CF Heartwood Cautious Income Multi Asset Fund are published in the Financial Times. In addition the prices of all Shares may be obtained by calling 0845 922 0044 during the ACD's normal business hours. 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. The ACD may also, at its sole discretion, decide to publish certain Share prices in other third party websites or publications but the ACD does not accept responsibility for the accuracy of the prices published in or for the non-publication of prices by, these sources for reasons beyond the control of the ACD.

5. Risk Factors

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

5.1 General

The investments of the Company are subject to normal market fluctuations and other risks inherent in investing in securities. There can be no assurance that any appreciation in the value of investments will occur. The value of investments and the income derived from them may fall as well as rise and investors may not recoup the original amount they invest in the Company. There is no certainty that the investment objective of the Sub-funds will actually be achieved and no warranty or representation is given to this effect. The level of any yield for a Sub-fund may be subject to fluctuations and is not guaranteed.

The entire market of a particular asset class or geographical sector may fall, having a more pronounced effect on funds heavily invested in that asset class or region. There will be a variation in performance between funds with similar objectives due to the different assets selected.

5.2 Effect of Initial Charge or Redemption Charge

Where an initial charge or redemption charge is imposed, an investor who realises his Shares may not (even in the absence of a fall in the value of the relevant investments) realise the amount originally invested.

In particular, where a redemption charge is payable, investors should note that the percentage rate at which the redemption charge is calculated is based on the market value rather than the initial value of the Shares. If the market value of the Shares has increased the redemption charge will show a corresponding increase. Currently there is no redemption charge levied on Shares.

The Shares therefore should be viewed as medium to long term investments.

5.3 Dilution and SDRT Provision

A Sub-fund may suffer a reduction in the value of its Scheme Property due to dealing costs incurred when buying and selling investments. To offset this dilution effect the ACD may require the payment of a dilution levy in addition to the price of Shares when bought or as a deduction when sold.

5.4 Charges to Capital

Where the investment objective of a Sub-fund is to treat the generation of income as a higher priority than capital growth, or the generation of income and capital growth have equal priority, all or part of the ACD's fee may be charged against capital instead of against income. The treatment of the ACD's fee may increase the amount of income (which may be taxable) available for distribution to Shareholders however, this will erode capital and may constrain capital growth.

5.5 Suspension of Dealings in Shares

Investors are reminded that in certain circumstances their right to redeem Shares (including a redemption by way of switching) may be suspended.

5.6 Liabilities of the Company and the Sub-funds

As explained in paragraph 2.2.1 where, under the OEIC Regulations, each Sub-fund is a segregated portfolio of assets and those assets can only be used to meet the liabilities of, or claims against, that Sub-fund. Whilst the provisions of 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.

5.7 Currency Exchange Rates

Currency fluctuations may adversely affect the value of investments and the income thereon and, depending on an investor's currency of reference, currency fluctuations may adversely affect the value of his investment in Shares.

5.8 Derivatives

The Investment Manager may employ derivatives with the aim of reducing the risk profile of the Sub-fund, reducing costs or generating additional capital or income, in accordance with Efficient Portfolio Management ("EPM").

To the extent that derivative instruments are utilised for hedging purposes (reduction of the risk profile of the Sub-fund), the risk of loss to the Sub-fund may be increased where the value of the derivative instrument and the value of the security or position which it is hedging prove to be insufficiently correlated.

For more information in relation to investment in derivatives please see paragraph 9 and 10 in Appendix III.

5.9 Credit and Fixed Interest Securities

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. Inflation will also decrease the real value of capital.

The value of a fixed interest security will fall in the event of the default or reduced credit rating of the issuer. Generally, the higher the yield, the higher the perceived credit risk of the issuer. High yield bonds with lower credit ratings (also known as sub-investment grade bonds) are potentially more risky (higher credit risk) than investment grade bonds. A sub-investment grade bond has a Standard & Poor's credit rating of below BBB or equivalent. BBB is described as having adequate capacity to meet financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the bond issuer to meet its financial commitments.

5.10 Custody

There may be a risk of a loss where the assets of the Sub-fund are held by the custodian or sub-custodian that could result from the insolvency, negligence or fraudulent action of the custodian or sub-custodian.

5.11 Taxation

Tax laws currently in place may change in the future which could affect the value of your investments. See the section headed 'Taxation' for further details about taxation of the Fund(s).

5.12 Inflation and Interest Rates

The real value of any returns that an investor may receive from the Sub-fund could be affected by interest rates and inflation over time.

5.13 Counterparty and Settlement

Each Sub-fund will be exposed to a credit risk on parties with whom it trades and will also bear the risk of settlement default.

5.14 Counterparty Risk in Over-the-Counter Markets "OTC"

The Company on behalf of a Sub-fund may enter into transactions in over-the-counter markets, which will expose the relevant Sub-fund to the credit of its counterparties and their ability to satisfy the terms of such contracts. For example, the Company on behalf of the Sub-fund may enter into agreements or use other derivative techniques, each of which expose the Sub-fund to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of a bankruptcy or insolvency of a counterparty, the Sub-fund could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which the Company seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights. There is also a possibility that the above agreements and derivative techniques are terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated. In such circumstances, investors may be unable to cover any losses incurred.

5.15 Liquidity Risk

Depending on the types of assets that each Sub-fund invests in there may be occasions where there is an increased risk that a position cannot be liquidated in a timely manner at a reasonable price.

5.16 Market Risk

Each Sub-fund will be diversified, however, the underlying investments of a Sub-fund are subject to normal market fluctuations and to the risks inherent in investment in equities and equity related securities.

5.17 Emerging Markets

Investments in emerging markets may be more volatile than investments in more developed markets. Some of these markets may have relatively unstable governments, economies based on only a few industries and securities markets that trade only a limited number of securities. Many emerging markets do not have well developed regulatory systems and disclosure standards may be less stringent than those of developed markets.

The risks of expropriation, nationalisation and social, political and economic instability are greater in emerging markets than in more developed markets.

The following is a brief summary of some of the more common risks associated with emerging markets investment:

Fraudulent securities – Given the lack of a regulatory structure it is possible that securities in which investments are made may be found to be fraudulent. As a result, it is possible that loss may be suffered.

Currency fluctuations – Significant changes in the currencies of the countries in which investments are made in respect of the currency of denomination of the relevant Sub-fund may occur following the investment of the Company in these currencies. These changes may impact the total return of the Sub-fund to a significant degree. In respect of currencies of certain emerging countries, it is not possible to undertake currency hedging techniques.

Custody in emerging markets – As the Sub-funds may invest in markets, such as emerging markets, where custodial and/or settlement systems are not fully developed, the assets of the Sub-funds which are traded in such markets and which have been entrusted to sub-custodians in circumstances where the use of sub-custodians is necessary may be exposed to risk in circumstances where the Depositary will have no liability.

Settlement and custody risks – Settlement and custody systems in emerging markets are not as well developed as those in developed markets. Standards may not be as high and supervisory and regulatory authorities not as sophisticated. As a result there may be risks that settlement may be delayed and that cash or securities could be disadvantaged.

Investment and remittance restrictions – In some cases, emerging markets may restrict the access of foreign investors to securities. As a result, certain equity securities may not always be available to a Sub-fund because the maximum permitted number of or investment by foreign shareholders has been reached. In addition, the outward remittance by foreign investors of their share of net profits, capital and dividends may be restricted or require governmental approval. The Company will only invest in markets in which it believes these restrictions to be acceptable. However, there can be no guarantee that additional restrictions will not be imposed.

Accounting – Accounting, auditing and financial reporting standards, practices and disclosure requirements applicable to companies in emerging markets differ from those applicable in more developed markets in respect of the nature, quality and timeliness of the information disclosed to investors and, accordingly, investment possibilities may be difficult to properly assess.

The Company can invest in such markets.

5.18 **Structured Products**

The Sub-funds may invest in structured products in accordance with COLL. For the purposes of the FCA's rules, structured products may be regarded as either transferable securities, collective investment schemes or derivatives depending on the product in question. The common feature of these products is that they are designed to combine the potential upside of market performance with limited downside. Structured products typically are investments which are linked to the performance of one or more underlying instruments or assets such as market prices, rates, indices, securities, currencies and commodities and other financial instruments that may introduce significant risk that may affect the performance of the Sub-funds.

However, in addition to providing exposure to the asset classes described in the investment objective, the intention is that the use of structured products in the context of the Sub-funds should assist with keeping the volatility levels of the Sub-funds relatively low.

5.19 **Investment in Regulated Collective Investment Schemes**

A Sub-fund may invest in other regulated collective investment schemes. As an investor in another collective investment scheme, a Sub-fund will bear, along with the other investors, 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 Sub-fund bears directly with its own operations.

5.20 **Unregulated Collectives**

The Company may invest in shares or units of, for example, hedge funds or hedge fund of funds which may not be submitted, in their jurisdiction of origin, to oversight exercised by a regulatory authority designed to ensure the protection of the investors. Shareholders of the Company are therefore subject to risks associated with exposure to such non-regulated funds. As the Company may invest in non-regulated funds, the investors must be aware that the risk may be greater than if the Company only invested in regulated funds. In addition, the value of an investment represented by such fund or a hedge fund of funds in which the Company invests may be affected by fluctuations in the currency of the country where such a non-regulated fund invests, by foreign exchange rules, or by the application of the various tax laws of the relevant countries including withholding taxes, government changes or variations of the monetary and economic policy of the relevant countries. Unregulated collective investment schemes may use leverage and may carry increased liquidity risk as units / shares in such schemes may not be readily realisable. Unregulated collective investment schemes may use leverage and may carry increased liquidity risk as units / shares in such schemes may not be readily realisable.

5.21 **Investment Trusts**

The Sub-funds may invest in investment trusts. These are public limited companies quoted on the London Stock Exchange. The price of their shares depends on supply and demand and may not reflect the value of the underlying assets. It may be higher 'at a premium' or lower 'at a discount'. The discount and premium varies continuously and represents an additional measure of risk and reward. Gearing – investment trusts can borrow money, which can then be used to make further investments. In a rising market, this 'gearing' can enhance returns to shareholders. However if the market falls, losses will also be multiplied. The level of gearing needs to be carefully judged and monitored to produce a benefit. Investment trusts may invest in hedge funds, structured products and quoted private equity funds as long as they are allowed by the FCA regulations. These types of investments may carry the risk of derivative investment.

5.22 **Non-UCITS Retail Schemes (NURS)**

Such funds can have wider investment and borrowing powers than UCITS schemes with higher investment limits in various areas. They can also invest to a greater extent in areas such as property and unregulated schemes and have the option to borrow on a permanent basis. Such additional powers can increase potential reward, but may also increase risk.

6. Management and Administration

6.1 Regulatory Status

The ACD, the Depositary and the Investment Manager are authorised and regulated by the Financial Conduct Authority of 25 The North Colonnade, Canary Wharf, London E14 5HS.

6.2 Authorised Corporate Director

6.2.1 General

The ACD is Capita Financial Managers Limited which is a private company limited by shares incorporated in England and Wales on 21 November 1973.

The directors of the ACD are:

C Addenbrooke

N Boyling

C Hayes

K Midl

J Millan

No director is engaged in any significant business activity not connected with the business of the ACD or other Capita Plc subsidiaries.

Registered Office

17 Rochester Row, Westminster, London SW1P 1QT

Principal Place of Business

Ibex House, 42 – 47 Minories, London, EC3N 1DX

Share Capital

It has a share capital of £297,636 issued and paid up

Ultimate Holding Company Capita Plc, a company incorporated in England and Wales and listed on the London Stock Exchange.

The ACD is responsible for managing and administering the Company's affairs in compliance with the COLL Sourcebook. The ACD may delegate its management and administration functions, but not responsibility, to third parties, including associates subject to the rules in the COLL Sourcebook.

It has therefore delegated to the Investment Manager the function of managing and acting as the investment adviser for the investment and reinvestment of the assets of the Sub-funds (as further explained in paragraph 6.4 below). It has also delegated to the Registrar certain functions relating to the register (as further explained in paragraph 6.5 below).

6.2.2 Terms of Appointment

The appointment of the ACD has been made under an agreement between the Company and the ACD, as amended from time to time (the "ACD Agreement").

Pursuant to the ACD Agreement, the ACD manages and administers the affairs of the Company in accordance with the Regulations, the Instrument of Incorporation and this Prospectus. The ACD Agreement incorporates detailed provisions relating to the ACD's responsibilities.

The ACD Agreement may be terminated by either party after the expiry of three years from the date of incorporation of the Company on not less than six months written notice or earlier upon the happening of certain specified events. The ACD Agreement terminates automatically if the ACD ceases to be director of the Company or the Company is wound up. The ACD Agreement contains detailed provisions relating to the responsibilities of the ACD and excludes it from any liability to the Company or any Shareholder for any act or omission except in the case of negligence, wilful default, breach of duty or breach of trust in relation to the Company on its part. The ACD Agreement provides indemnities to the ACD to the extent allowed by the Regulations and other than for matters arising by reason of its negligence, wilful default, breach of duty or breach of trust in the performance of its duties and obligations. Subject to certain limited exceptions set out in the Regulations, the ACD may retain the services of any person to assist it in the performance of its functions.

Details of the fees payable to the ACD are set out in paragraph 7.2 "Charges payable to the ACD" below.

The ACD is also under no obligation to account to the Depositary, the Company or the Shareholders for any profit it makes on the issue or re-issue or cancellation of Shares which it has redeemed.

The Company has no directors other than the ACD. The ACD is also the operator of certain authorised unit trusts and open-ended investment companies details of which are set out in Appendix 4.

6.3 The Depositary

6.3.1 General

The Depositary of the Company is BNY Mellon Trust & Depositary (UK) Limited (registered no. 3588038), a private company limited by shares incorporated in England and Wales on 25 June 1998. Its ultimate holding company is The Bank of New York Mellon Corporation. Its registered office is at The Bank of New York Mellon Centre, 160 Queen Victoria Street, London EC4V 4AL. The principal business activity of the Depositary is acting as a trustee and depositary. It is authorised and regulated by the Financial Conduct Authority.

The Depositary is responsible for the safekeeping of all the Scheme Property (other than tangible moveable property) of the Company and has a duty to take reasonable care to ensure that the Company is managed in accordance with the Instrument of Incorporation and the provisions of the COLL Sourcebook relating to the pricing of, and dealing in, shares and relating to the income and the investment and borrowing powers of the Sub-funds.

6.3.2 Terms of Appointment

The appointment of the Depositary has been made under an agreement between the Company, the ACD and the Depositary, (the “Depositary Agreement”).

Subject to the COLL Sourcebook, the Depositary has full power under the Depositary Agreement to delegate (and authorise its delegate to sub-delegate) all or any part of its duties as depositary.

The terms of the Depositary Agreement between the Company, the ACD and the Depositary provide that the Depositary be engaged to maintain the safe custody of the Scheme Property and to fulfil other duties required in the Regulations, which include the taking of reasonable care to ensure that the Company is managed in accordance with those parts of the Regulations that concern pricing and dealing in shares of the Company, income and compliance of the Company with its investment and borrowing powers. Under the Agreement the Depositary has the power to appoint sub-Custodians and may include in such appointment powers of sub-delegation. The Depositary has delegated custody to The Bank of New York Mellon SA/NV, London Branch under a custody agreement dated 1 October 2011.

The Depositary will not be held liable for any loss incurred by it, or through any of its agents in carrying out its obligations or functions, unless such loss arises from its negligence, fraud or wilful default.

The Depositary Agreement provides indemnities to the Depositary to the extent allowed by the Regulations and except in respect of its failure to exercise due care and diligence or in the event of its negligence, fraud or wilful default.

The Depositary is entitled to receive remuneration out of the Scheme Property for its services, as explained in paragraph 7.3 “Depositary’s fee and expenses” below. The Depositary is under no obligation to account to the ACD, the Company or the Shareholders for any profits or benefits it makes or receives that are made or derived from or in connection with its role as depositary.

6.4 The Investment Manager

6.4.1 General

The ACD has appointed the Investment Manager, Heartwood Wealth Management Limited to provide investment management services to the ACD. The Investment Manager is authorised and regulated by the Financial Conduct Authority.

The Investment Manager’s registered office is at Heartwood Wealth Management Limited, 12 Henrietta Street, Covent Garden, London WC2E 8LH.

The principal activity of the Investment Manager is the provision of wealth management services.

6.4.2 Terms of Appointment

The terms of the Investment Management Agreement between the ACD and the Investment Manager include the provision of investment management to attain the investment objectives of the Sub-funds, the purchase and sale of investments and on the exercise of voting rights relating to such investments. The Investment Manager has authority to make decisions on behalf of the ACD on a discretionary basis in respect of day to day investment management of the Scheme Property including authority to place purchase orders and sale orders with regulated dealers and preparation of the Investment Manager’s report half yearly for inclusion in the Company’s Report for circulation to Shareholders. Subject to the agreement of the ACD, the Investment Manager may appoint Sub-Investment Advisers to discharge some or all of these duties. The Agreement may be terminated by either party on not less than twelve months’ written notice or earlier upon the happening of certain specified events.

The Investment Manager will receive a fee paid by the ACD out of its remuneration received each month from the Sub-funds as explained in paragraph 7.4 below.

The Investment Manager will not be considered as a broker fund adviser under the FCA Handbook in relation to the Company.

6.5 The Registrar

6.5.1 General

On behalf of the Company the ACD has also appointed Capita Financial Administrators Limited to act as registrar to the Company.

The registered office of the Registrar is:

17 Rochester Row
Westminster
London
SW1P 1QT

The register is kept and maintained at the following address:

2 The Boulevard
City West One Office Park
Leeds
LS12 6NT

6.5.2 Register of Shareholders

The Register of Shareholders will be maintained by the Registrar at the address of its office as noted above, and may be inspected at that address or the principal place of business of the ACD during normal business hours by any Shareholder or any Shareholder's duly authorised agent.

The plan register, where applicable (being a record of persons who subscribe for Shares through Individual Savings Accounts (ISAs)) can be inspected at the office of the Registrar.

6.6 The Auditors

The auditors of the Company are KPMG Audit PLC of 1 The Embankment, Neville Street, Leeds LS1 4DW.

6.7 Conflicts of Interest

The ACD, the Investment Manager and other companies within the Capita and the Investment Manager's group may, from time to time, act as investment managers or advisers to other funds or sub-funds which follow similar investment objectives to those of the Sub-funds. It is therefore possible that the ACD and/or the Investment Manager may in the course of their business have potential conflicts of interest with the Company or a particular Sub-fund. Each of the ACD and the Investment Manager will, however, have regard in such event to its obligations under the ACD Agreement and the Investment Management Agreement respectively and, in particular, to its obligation to act in the best interests of the Company so far as practicable, having regard to its obligations to other clients, when undertaking any investment business where potential conflicts of interest may arise.

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

7. Fees and Expenses

7.1 Ongoing

All costs, charges, fees or expenses, other than the charges made in connection with the subscription and redemption of Shares (see paragraph 3.5) payable by a Shareholder or out of Scheme Property are set out in this section.

The Company or each Sub-fund (as the case may be) may, so far as the COLL Sourcebook allows, also pay out of the Scheme Property all relevant costs, charges, fees and expenses including the following:

- 7.1.1 the direct establishment costs of the Company and each Sub-fund formed or share class created may be borne by the Company, the relevant Sub-fund (as appropriate) or by the ACD at its discretion;
- 7.1.2 broker's commission, fiscal charges (including stamp duty and/or stamp duty reserve tax) and other disbursements which are necessary to be incurred in effecting transactions for the Sub-fund and normally shown in contract notes, confirmation notes and difference accounts as appropriate;
- 7.1.3 fees and expenses in respect of establishing and maintaining the register of shareholders, including any sub-registers kept for the purpose of the administration of Individual Savings Accounts, are payable quarterly out of the property of the Sub-funds;
- 7.1.4 any costs incurred in or about the listing of Shares in the Company on any Stock Exchange, and the creation, conversion and cancellation of Shares;
- 7.1.5 any costs incurred by the Company in publishing the price of the Shares in a national or other newspaper or any other media;

- 7.1.6 any costs incurred in producing and dispatching any payments made by the Company, or the yearly and half-yearly reports of the Company;
- 7.1.7 any fees, expenses or disbursements of any legal or other professional adviser of the Company;
- 7.1.8 any costs incurred in taking out and maintaining an insurance policy in relation to the Company;
- 7.1.9 any costs incurred in respect of meetings of Shareholders convened for any purpose;
- 7.1.10 any payment permitted by clause 6.7.15R of the COLL Sourcebook;
- 7.1.11 interest on borrowings and charges incurred in effecting or terminating such borrowings or in negotiating or varying the terms of such borrowings;
- 7.1.12 taxation and duties payable in respect of the Scheme Property or the issue or redemption of Shares;
- 7.1.13 the audit fees of the Auditors (including VAT) and any expenses of the Auditors;
- 7.1.14 the fees of the FCA, in accordance with the FCA's Fee Manual, together with any 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;
- 7.1.15 any expense incurred in relation to company secretarial duties including the cost of maintenance of minute books and other documentation required to be maintained by the Company;
- 7.1.16 the total amount of any cost relating to the authorisation and incorporation of the Company and of its initial offer or issue of Shares;
- 7.1.17 any costs incurred in preparing, translating, producing (including printing), distributing and modifying the instrument of incorporation, the prospectus, the Key Investor Information Document (apart from the costs of distributing the Key Investor Information Document) or reports, accounts, statements, contract notes and other like documentation or any other relevant document required under the Regulations;
- 7.1.18 any payments otherwise due by virtue of a change to the Regulations; and
- 7.1.19 any value added or similar tax relating to any change or expense set out herein.

The ACD is also entitled to be paid by the Company out of the Scheme Property any expenses incurred by the ACD or its delegates of the kinds described above.

Expenses are allocated between capital and income in accordance with the Regulations. However, the approach for a given Sub-fund is set out in Appendix I. Where expenses are deducted in the first instance from income if and only if this is insufficient, deductions will be made from capital (save for any charge made in respect of SDRT under paragraph 3.5.5 "Stamp Duty Reserve Tax"). If deductions were made from capital, this would result in capital erosion and constrain growth.

7.2 Charges payable to the ACD

7.2.1 Annual Management Charge

In payment for carrying out its duties and responsibilities the ACD is entitled to take an annual fee out of each Sub-fund as set out in Appendix I. The annual management charge will accrue on a daily basis in arrears by reference to the Net Asset Value of the Sub-fund on the immediately preceding Dealing Day and the amount due for each month is payable on the last Dealing Day of each month. The current annual management charges for the Sub-funds (expressed as a percentage per annum of the Net Asset Value of each Sub-fund) are set out in Appendix I.

7.2.2 Registration Fees

The ACD is entitled to receive a fee out of the Scheme Property for providing registration services, (including establishing and maintaining sub-registers where applicable), out of which the ACD will pay the fees of the Registrar. Such fee is payable quarterly. The current fees payable to the ACD are as follows: 0-100 shareholders: £1,750 per annum, 101-250 shareholders: £4,375 per annum, 250+ shareholders: £17.50 per annum per shareholder. A £17.50 charge per annum is also payable per holder on the ISA register.

A Transaction Fee of £15 is levied for each transaction.

7.2.3 Expenses

The ACD is also entitled to all reasonable, properly documented, out of pocket expenses incurred in the performance of its duties as set out above.

VAT is payable on the charges or expenses mentioned above, where appropriate.

If a Class's expenses in any period exceed its income the ACD may take that excess from the capital property attributable to that Class.

The current annual fee payable to the ACD for a Class may only be increased or a new type of remuneration introduced in accordance with the Regulations.

7.3 Depositary's Fee and Expenses

The Depositary is entitled to receive out of Scheme Property by way of remuneration a periodic charge, which will be calculated and accrue daily and be paid monthly as soon as practicable after the end of each month, and certain additional charges and expenses. The rate of the Depositary's periodic charge in respect of each Sub-fund will be such rate or rates as agreed from time to time between the ACD and the Depositary in accordance with the COLL Sourcebook. The current rate of the Depositary's periodic charge in respect of each Sub-fund is:

Value of Company:

	Fee
First £70 million	0.04%
Next £30 million	0.03%
Next £50 million	0.02%
Balance	0.01%

of the value of the Scheme Property, subject to a minimum of £5,000 plus VAT, plus £2,000 plus VAT per annum for each second and subsequent investment advisor appointed to the Sub-funds. In addition VAT on the amount of the periodic charge will be paid out of Scheme Property.

In the event of the termination of the Sub-fund, the Depositary shall continue to be entitled to a periodic charge in respect of that Sub-fund for the period up to and including the day on which the final distribution in the termination of the Sub-fund shall be made or, in the case of a termination following the passing of an extraordinary resolution approving a scheme of arrangement, up to and including the final day on which the Depositary is responsible for the safekeeping of the Scheme Property. Such periodic charge will be calculated, be subject to the same terms and accrue and be paid as described above, except that for the purpose of calculating the periodic charge in respect of any day falling after the day on which the termination of the relevant Sub-fund commences, the value of the Scheme Property shall be its Net Asset Value determined at the beginning of each such day.

The Depositary Agreement between the Company and the Depositary provides that in addition to a periodic charge the Depositary may also be paid by way of remuneration custody fees where it acts as Custodian and other transaction and bank charges. At present the Depositary delegates the function of custody of the Scheme Property to The Bank of New York Mellon SA/NV, London Branch.

The remuneration for acting as custodian is calculated at such rate and/or amount as the ACD, the Depositary and the Custodian may agree from time to time.

The current remuneration ranges from between 0.01% per annum to 0.60 % per annum of the value of the Scheme Property, plus VAT (if any) calculated at an ad valorem rate determined by the territory or country in which the assets of the Company are held. The current range of transaction charges is between £10 and £170 per transaction plus VAT (if any). Charges for principal investment markets are:

	Transaction charge per trade	Custody charge % per annum
UK	£10	0.01%
United States	£14	0.02%
Germany	£25	0.03%
Japan	£25	0.03%

In addition to the remuneration referred to above, the Depositary is entitled to receive reimbursement for expenses properly incurred by it in discharge of its duties or exercising any powers conferred upon it in relation to the Company and each Sub-fund. Such expenses include, but are not restricted to:

- (i) delivery of stock to the Depositary or custodian;
- (ii) custody of assets;
- (iii) collection of income and capital;
- (iv) submission of tax returns;
- (v) handling tax claims;
- (vi) preparation of the Depositary's annual report;
- (vii) arranging insurance;
- (viii) calling Shareholder meetings and otherwise communicating with Shareholders;
- (ix) dealing with distribution warrants;
- (x) taking professional advice;
- (xi) conducting legal proceedings;
- (xii) such other duties as the Depositary is permitted or required by law to perform.

VAT (if any) in connection with any of the above is payable in addition.

Expenses not directly attributable to a particular Sub-fund will be allocated between Sub-funds. In each case such expenses and disbursements will 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 the COLL Sourcebook by the Depositary.

7.4 Investment Manager's Fee

The Investment Manager's fees and expenses (plus VAT thereon) for providing investment management services will be paid by the ACD out of its remuneration under the ACD Agreement.

Further details of this agreement are summarised in paragraph 6.4.2 "Terms of Appointment" above.

7.5 Allocation of Fees and Expenses between Sub-funds

All the above fees, duties and charges (other than those borne by the ACD) will be charged to the Sub-fund in respect of which they were incurred. This includes any charges and expenses incurred in relation to the Register of Shareholders, except that these will be allocated and charged to each class of Shares on a basis agreed between the ACD and the Depositary.

Where an expense is not considered to be attributable to any one Sub-fund, the expense will normally be allocated to all Sub-funds pro rata to the value of the Net Asset Value of the Sub-funds, although the ACD has discretion to allocate these fees and expenses in a manner which it considers fair to Shareholders generally.

Where charges including the Annual Management Charge, periodic charge, depositary's fees and other expenses are deducted from the capital property of a Sub-fund, this can have the effect of constraining or even eroding capital growth of that Sub-fund. Refer to Appendix I for details of which Sub-funds charge fees and expenses to Capital.

8. Instrument of Incorporation

The Instrument of Incorporation is available for inspection at the ACD's offices at Ibex House, 42 – 47 Minories, London, EC3N 1DX.

9. Shareholder Meetings and Voting Rights

9.1 Class, Company and Sub-fund Meetings

The Company shall not hold annual general meetings.

The provisions below, unless the context otherwise requires, apply to Class meetings and meetings of Sub-funds as they apply to general meetings of the Company, but by reference to Shares of the Class or Sub-fund concerned and the Shareholders and value and prices of such Shares.

9.2 Requisitions of Meetings

The ACD may requisition a general meeting at any time.

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

9.3 Notice and Quorum

Shareholders will receive at least 14 days' notice of a general meeting and are entitled to be counted in the quorum and vote at such meeting either in person or by proxy. The quorum for a meeting is two Shareholders, present in person or by proxy. The quorum for an adjourned meeting is one person entitled to be counted in a quorum. Notices of meetings and adjourned meetings will be sent to Shareholders at their registered addresses.

9.4 Voting Rights

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

On a poll vote, a Shareholder may vote either in person or by proxy. The voting rights attaching to each Share are such proportion of the voting rights attached to all the Shares in issue that the price of the Share bears to the aggregate price of all the Shares in issue at a reasonable date before the notice of meeting is sent out, such date to be decided by the ACD.

A Shareholder entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.

In the case of joint Shareholders, the vote of the most senior Shareholder who votes, whether in person or by proxy, must be accepted to the exclusion of the votes of the other joint Shareholders. For this purpose seniority must be determined by the order in which the names stand in the Register.

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

The ACD may not be counted in the quorum for a meeting and neither the ACD nor any associate (as defined in the COLL Sourcebook) of the ACD is entitled to vote at any meeting of the Company except in respect of Shares which the ACD or associate holds on behalf of or jointly with a person who, if the registered Shareholder, would be entitled to vote and from whom the ACD or associate has received voting instructions.

Where all the Shares in a Sub-fund are registered to, or held by, the ACD or its associates and they are therefore prohibited from voting and a resolution (including an extraordinary resolution) is required to conduct business at a meeting, it shall not be necessary to convene such a meeting and a resolution may, with the prior written agreement of the Depositary, instead be passed with the written consent of Shareholders representing 50% or more, or for an extraordinary resolution 75% or more, of the Shares in issue.

“Shareholders” in this context means Shareholders entered on the register at a time to be determined by the ACD and stated in the notice of the meeting which must not be more than 48 hours before the time fixed for the meeting.

9.5 Variation of Class or Sub-fund Rights

The rights attached to a Class or Sub-fund may not be varied without the sanction of an extraordinary resolution passed at a meeting of Shareholders of that Class or Sub-fund.

10. Taxation

10.1 General

The information below is a general guide based on current United Kingdom law and HM Revenue & Customs practice, which are subject to change. It summarises the tax position of the Sub-funds and of investors who are United Kingdom resident individuals and hold Shares as investments. The regime for taxation of income and capital gains received by individual investors depends on the tax law applicable to their personal circumstances. Prospective investors who are in any doubt about their tax position, or who may be subject to tax in a jurisdiction other than the United Kingdom, are recommended to take professional advice.

10.2 The Sub-funds

Each Sub-fund will be treated as a separate entity for United Kingdom tax purposes.

The Sub-funds are generally exempt from United Kingdom tax on capital gains realised on the disposal of their investments (including interest-paying securities and derivatives) held within them. However, any gains realised on disposing of holdings in non-reporting offshore funds are charged to tax as income and not capital.

Any dividend received by the Sub-funds (whether directly or through another United Kingdom authorised investment fund) will generally be exempt from corporation tax. Each Sub-fund will be subject to corporation tax on most other types of income but after deducting allowable management expenses and where relevant the gross amount of interest distributions. Where the Sub-funds suffer foreign tax on income received, this will generally be an irrecoverable tax expense.

The Sub-funds will make dividend distributions except where more than 60% of a Sub-fund's property has been invested throughout the distribution period in interest-paying investments, in which case it may make interest distributions.

10.3 Shareholders

10.3.1 Income

The Sub-funds will pay dividend distributions (which will be automatically retained in the Sub-fund in the case of accumulation Shares) with a tax credit. Individuals liable to income tax at the basic rate will have no further liability to tax. Higher and additional rate taxpayers will have to pay a further amount of income tax on the amount received. The tax credit on dividend distributions cannot be reclaimed.

10.3.2 Interest

Where the Sub-fund pays an interest distribution (which will be automatically retained in the Sub-fund in the case of accumulation Shares) this will be net of the basic rate of tax. Non-taxpayers may reclaim the tax credits on interest distributions paid, and starting rate (on savings income) taxpayers may reclaim part of them.

10.3.3 Income equalisation

The first income allocation received by an investor after buying Shares may include an amount of income equalisation, which will be shown on the issued Tax Voucher. This is effectively a repayment of the income equalisation paid by the investor as part of the purchase price. It is a return of capital, and is not taxable. Rather it should be deducted from the acquisition cost of the Shares for capital gains tax purposes.

10.3.4 Tax Vouchers

A tax voucher will be issued in line with the income distribution dates set out in Appendix 1. This voucher should be retained for tax purposes as evidence for HM Revenue & Customs.

The ACD reserves the right to charge an administration fee of £10 if a duplicate copy is required. To obtain a duplicate copy you will need to submit your request in writing, along with payment, to Capita Financial Managers Limited, Distributions Team, Ibex House, 42 – 47 Minories, London EC3N 1DX.

10.3.5 Capital Gains

Shareholders may be liable to capital gains tax on gains arising from the redemption, transfer or other disposal of Shares. The rate of tax, and available reliefs, will be as applicable from time to time.

An exchange of Shares in one Sub-fund of the Company for Shares in another Sub-fund will generally be treated as a disposal for this purpose, but exchanges of Shares between classes within a Sub-fund are not.

10.3.6 EU Savings Directive

Under the EU Council Directive on taxation of savings income member states of the European Union ("Member States") and certain dependent territories are required to report to the tax authorities of other Member States details of payments of interest and other similar income from certain types of collective investment funds (which may include income arising as a result of the sale and redemption of the fund's shares) paid by a person who is a "paying agent" for the purposes of the Directive to an individual resident for the purposes of the Directive in another Member State. However, a number of Member States and dependent territories instead impose a system of withholding tax as an alternative to reporting.

11. Winding Up of the Company or Termination of a Sub-Fund

The Company or a Sub-fund will not be wound up except as an unregistered company under Part V of the Insolvency Act 1986 or under the COLL Sourcebook. A Sub-fund may otherwise only be wound up under the COLL Sourcebook.

Where the Company is to be wound up or a Sub-fund is to be terminated under the COLL Sourcebook, such winding up may only be commenced following approval by the FCA. The FCA may only give such approval if the ACD provides a statement (following an investigation into the affairs of the Company or a Sub-fund as the case may be) either that the Company or a Sub-fund will be able to meet its liabilities within 12 months of the date of the statement or that the Company or a Sub-fund will be unable to do so. The Company may not be wound up or a Sub-fund terminated under the COLL Sourcebook if there is a vacancy in the position of ACD at the relevant time.

The Company shall be wound up or a Sub-fund must be terminated under the COLL Sourcebook:

- 11.1 if an extraordinary resolution to that effect is passed by Shareholders; or
- 11.2 when the period (if any) fixed for the duration of the Company or a particular Sub-fund by the Instrument of Incorporation expires, or any event occurs on the occurrence of which the Instrument of Incorporation provides that the Company or a particular Sub-fund is to be wound up (for example, if the Share capital of the Company or (in relation to any Sub-fund) the Net Asset Value of the Sub-fund is below £1 million, or if a change in the laws or regulations of any country means that, in the ACD's opinion, it is desirable to terminate the Sub-fund); or
- 11.3 on the date stated in any agreement by the FCA to a request by the ACD for the revocation of the authorisation order in respect of the Company or for the termination of the relevant Sub-fund.

On the occurrence of any of the above:

- 11.4 COLL 6.2 (Dealing), COLL 6.3 (Valuation and Pricing) and COLL 5 (Investment and borrowing powers) will cease to apply to the Company or the relevant Sub-fund;
- 11.5 the Company will cease to issue and cancel Shares in the Company or the relevant Sub-fund and the ACD shall cease to sell or redeem Shares or arrange for the Company to issue or cancel them for the Company or the relevant Sub-fund;
- 11.6 no transfer of a Share shall be registered and no other change to the Register of Shareholders shall be made without the sanction of the ACD;
- 11.7 where the Company is being wound up or a Sub-fund terminated, the Company or a Sub-fund shall cease to carry on its business except in so far as it is beneficial for the winding up of the Company or the termination of the Sub-fund;
- 11.8 the corporate status and powers of the Company and subject to 11.4 to 11.7 above, the powers of the Depositary shall continue until the Company is dissolved.

The ACD shall, as soon as practicable after the Company or the Sub-fund falls to be wound up, realise the assets and meet the liabilities of the Company or a Sub-fund and, after paying out or retaining adequate provision for all liabilities properly payable and retaining provision for the costs of the winding up or the termination, arrange for the Depositary to make one or more interim distributions out of the proceeds to Shareholders proportionately to their rights to participate in the Scheme Property. If the ACD has not previously notified Shareholders of the proposal to wind up the Company or terminate the Sub-fund, the ACD shall, as soon as practicable after the commencement of winding up of the Company or the termination of the Sub-fund, give written notice of the commencement to Shareholders. When the ACD has caused all of the Scheme Property to be realised and all of the liabilities of the Company or the particular Sub-fund to be realised, the ACD shall arrange for the Depositary to make a final distribution to Shareholders on or prior to the date on which the final account is sent to Shareholders of any balance remaining in proportion to their holdings in the Company or the particular Sub-fund.

As soon as reasonably practicable after completion of the winding up of the Company or the particular Sub-fund, the Depositary shall notify the FCA that the winding up or termination has been completed.

On completion of a winding up of the Company or the termination of a Sub-fund, the Company will be dissolved or the Sub-fund will be terminated and any money (including unclaimed distributions) still standing to the account of the Company or a Sub-fund, will be paid into court by the ACD within one month of the dissolution or the termination.

Following the completion of a winding up of either the Company or the Sub-fund, the ACD must prepare a final account showing how the winding up took place and how the Scheme Property was distributed. The auditors of the Company shall make a report in respect of the final account stating their opinion as to whether the final account has been properly prepared. This final account and the auditors' report must be sent to the FCA and to each Shareholder (or the first named of joint Shareholders) on it within four months of the completion of the winding up or termination.

12. General Information

12.1 Accounting Periods

The annual accounting period of the Company ends each year on 31 January (the accounting reference date) with an interim accounting period ending on 31 July.

The ACD may even out the payments of income within an accounting period by carrying forward income otherwise distributable with a view to augmenting amounts to be paid out at a later date or at a date shown in Appendix 1.

12.2 Notice to Shareholders

All notices or other documents sent by the ACD to a Shareholder will be sent by normal post to the last address notified in writing to the Company by the Shareholder.

12.3 Income Allocations

The Sub-funds may have monthly, quarterly, interim or annual income allocation dates (see Appendix I). For each of the Sub-funds income is allocated in respect of the income available at each accounting date.

In relation to income Shares, distributions of income for each Sub-fund in which income Shares are issued are paid by cheque or electronic means directly into a Shareholder's bank account on or before the relevant income allocation date in each year as set out in Appendix I.

For Sub-funds in which accumulation Shares are issued, income will become part of the capital property of the Sub-fund and will be reflected in the price of each such accumulation Share as at the end of the relevant accounting period.

If a distribution made in relation to any income Shares remains unclaimed for a period of six years after it has become due, it will be forfeited and will revert to the relevant Sub-fund (or, if that no longer exists, to the Company).

The amount available for distribution in any accounting period is calculated by taking the aggregate of the income received or receivable for the account of the relevant Sub-fund in respect of that period, and deducting the charges and expenses of the relevant Sub-fund paid or payable out of income in respect of that accounting period. The ACD then makes such other adjustments as it considers appropriate (and after consulting the Company's auditors as appropriate) in relation to taxation, income equalisation, income unlikely to be received within 12 months following the relevant income allocation date, income which should not be accounted for on an accrual basis because of lack of information as to how it accrues, transfers between the income and capital account and other matters.

12.4 Annual Reports

The annual report of the Company will be published and sent to Shareholders on or before 31 May and the interim report will be sent to Shareholders on or before 30 September. Short reports will be issued. A long report containing the full accounts is available to any person free of charge on request.

12.5 Documents of the Company

The following documents may be inspected free of charge during normal business hours on any Business Day at the offices of the ACD at Ibex House, 42 – 47 Minories, London, EC3N 1DX:

- 12.5.1 the most recent annual and half yearly reports of the Company;
- 12.5.2 the Instrument of Incorporation (and any amending documents);
- 12.5.3 the Prospectus; and
- 12.5.4 the material contracts referred to below.

Shareholders may obtain copies of the above documents from the ACD. The ACD may make a charge at its discretion for copies of documents (apart from the most recent Prospectus and annual and half yearly long reports of the Company which are available free of charge to anyone who requests).

12.6 Material Contracts

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company and are, or may be, material:

- 12.6.1 the ACD Agreement between the Company, and the ACD; and
- 12.6.2 the Depositary Agreement between the Company, the Depositary and the ACD.

Details of the above contracts are given under section 6 “Management and Administration”.

12.7 Provision of Investment Advice

All information concerning the Company and about investing in Shares of the Company is available from the ACD at Ibex House, 42 – 47 Minories, London, EC3N 1DX. The ACD is not authorised to give investment advice and persons requiring such advice should consult a professional adviser. All applications for Shares are made solely on the basis of the current prospectus of the Company, and investors should ensure that they have the most up to date version.

12.8 Telephone Recordings

Please note that the ACD may record telephone calls for training and monitoring purposes and to confirm investors’ instructions.

12.9 Complaints

Complaints may be brought in writing to Capita Financial Managers Limited, 2 The Boulevard, City West One Office Park, Gelderd Road, Leeds LS12 6NT, or by email to technical.services@capitafinancial.com or by telephone to 08459 220 044.

In the event that an unsatisfactory response is provided, you can refer your complaint to the Financial Ombudsman Service at: Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London E14 9SR. A copy of the ACD’s Guide to making a complaint is available upon request.

12.10 Risk Management

The ACD will provide upon the request of a Shareholder further information relating to:

- 12.10.1 the quantitative limits applying in the risk management of the Company;
- 12.10.2 the methods used in relation to 12.10.1; and
- 12.10.3 any recent development of the risk and yields of the main categories of investment.

12.11 Indemnity

The Instrument of Incorporation contains provisions indemnifying the Directors, other officers and the Company’s auditors or the Depositary against liability in certain circumstances otherwise than in respect of their negligence, default, breach of duty or breach of trust, and indemnifying the Depositary against liability in certain circumstances otherwise than in respect of its failure to exercise due care and diligence in the discharge of its functions in respect of the Company.

Appendix 1

Details of the Sub-funds

Name:	CF Heartwood Cautious Multi Asset Fund					
Type of Fund:	Non-UCITS retail scheme					
Investment Objective and Policy:	<p>The investment objective of the Fund is to deliver a total return (the combination of income and growth of capital) through investments in a diversified range of asset types. The Fund will invest no more than 60% of its portfolio in equities.</p> <p>The Fund has no geographical restrictions.</p> <p>The Fund will invest mainly in a portfolio of collective investment schemes and may also invest directly in securities, fixed income assets, warrants, money market instruments, deposits, cash, near cash and derivatives for the purpose of efficient portfolio management.</p> <p>The Fund may invest in investment vehicles qualifying as transferable securities mainly in order to gain indirect exposure to a diversified portfolio of assets including, but not limited to, commercial property, hedge funds and commodities.</p> <p>The Fund may also invest in unregulated collective investment schemes (where investment in such funds would be consistent with the investment objective and policy of the Fund).</p> <p>The Fund may borrow up to 10% of the value of the scheme property as permitted by the regulations.</p> <p>There is no guarantee that a positive return will be delivered.</p>					
Final Accounting Date:	31 January					
Interim Accounting Dates:	31 July					
Income Distribution Dates:	31 March, 30 June, 30 September, 31 December					
Share Classes and types of Shares:	<p>Currently available</p> <p>Class A accumulation</p> <p>Class A income</p> <p>Class B accumulation</p> <p>Class B income</p> <p>Class C accumulation</p> <p>Class C income</p> <p>Class D accumulation</p> <p>Class D income</p> <p>Class H accumulation (not publicly available)</p> <p>Class H income (not publicly available)</p> <p>Class I accumulation</p> <p>Class I income</p>					
ISA Eligible:	Yes					
Regular Savers:	N/A					
	Class A	Class B	Class C	Class D	Class I	Class H
Initial Charge:	5%	5%	5%	1%	1%	N/A
Redemption Charge:	N/A	N/A	N/A	N/A	N/A	N/A
Charge on Switching:	N/A	N/A	N/A	N/A	N/A	N/A

Annual Management Charge:	1.50%	1.25%	1.00%	0.5%	0.75%	0.30%
Allocation of Charges:	Income		Capital			
AMC:	100%					
Ongoing Operating Costs:	100%					
Dealing and Registration:	100%					
Depository:	100%					
Custody:	100%					
Portfolio Transactions (SDRT, Broker's commission):	100%					
	Class A	Class B	Class C	Class D	Class I	Class H
Investment Minima and Holding*:	£1,000	£5,000	£1,000,000	£1,000	£5,000,000	N/A
Top-up:	£500	£500	£100,000	£500	£100,000	N/A
Past Performance:	See Appendix 5.					

* The ACD may waive the minimum levels at its discretion.

Appendix 1

Details of the Sub-funds

Name:	CF Heartwood Balanced Multi Asset Fund					
Type of Fund:	Non-UCITS retail scheme					
Investment Objective and Policy:	<p>The investment objective of the Fund is to deliver a total return (the combination of income and growth of capital) through investments in a diversified range of asset types. The Fund will invest no more than 85% of its portfolio in equities.</p> <p>The Fund has no geographical restrictions.</p> <p>The Fund will invest mainly in a portfolio of collective investment schemes and may also invest directly in securities, fixed income assets, warrants, money market instruments, deposits, cash, near cash and derivatives for the purpose of efficient portfolio management.</p> <p>The Fund may invest in investment vehicles qualifying as transferable securities mainly in order to gain indirect exposure to a diversified portfolio of assets including, but not limited to, commercial property, hedge funds and commodities.</p> <p>The Fund may also invest in unregulated collective investment schemes (where investment in such funds would be consistent with the investment objective and policy of the Fund).</p> <p>The Fund may borrow up to 10% of the value of the scheme property as permitted by the regulations.</p> <p>There is no guarantee that a positive return will be delivered.</p>					
Final Accounting Date:	31 January					
Interim Accounting Dates:	31 July					
Income Distribution Dates:	31 March, 30 June, 30 September, 31 December					
Share Classes and types of Shares:	<p>Currently available</p> <p>Class A accumulation</p> <p>Class A income</p> <p>Class B accumulation</p> <p>Class B income</p> <p>Class C accumulation</p> <p>Class C income</p> <p>Class D accumulation</p> <p>Class D income</p> <p>Class H accumulation (not publicly available)</p> <p>Class H income (not publicly available)</p> <p>Class I accumulation</p> <p>Class I income</p>					
ISA Eligible:	Yes					
Regular Savers:	N/A					
	Class A	Class B	Class C	Class D	Class I	Class H
Initial Charge:	5%	5%	5%	1%	1%	N/A
Redemption Charge:	N/A	N/A	N/A	N/A	N/A	N/A
Charge on Switching:	N/A	N/A	N/A	N/A	N/A	N/A

Annual Management Charge:	1.50%	1.25%	1.00%	0.5%	0.75%	0.30%
Allocation of Charges:	Income		Capital			
AMC:	100%					
Ongoing Operating Costs:	100%					
Dealing and Registration:	100%					
Depository:	100%					
Custody:	100%					
Portfolio Transactions (SDRT, Broker's commission):	100%					
	Class A	Class B	Class C	Class D	Class I	Class H
Investment Minima and Holding*:	£1,000	£5,000	£1,000,000	£1,000	£5,000,000	N/A
Top-up:	£500	£500	£100,000	£500	£100,000	N/A
Past Performance:	See Appendix 5.					

* The ACD may waive the minimum levels at its discretion.

Appendix 1

Details of the Sub-funds

Name:	CF Heartwood Growth Multi Asset Fund					
Type of Fund:	Non-UCITS retail scheme					
Investment Objective and Policy:	<p>The investment objective of the Fund is to deliver capital growth from a diversified equity oriented portfolio.</p> <p>The Fund has no geographical restrictions.</p> <p>The Fund will invest mainly in a portfolio of collective investment schemes and may also invest directly in securities, fixed income assets, warrants, money market instruments, deposits, cash, near cash and derivatives for the purpose of efficient portfolio management.</p> <p>The Fund may invest in investment vehicles qualifying as transferable securities mainly in order to gain indirect exposure to a diversified portfolio of assets including, but not limited to, commercial property, hedge funds and commodities.</p> <p>The Fund may also invest in unregulated collective investment schemes (where investment in such funds would be consistent with the investment objective and policy of the Fund).</p> <p>The Fund may borrow up to 10% of the value of the scheme property as permitted by the regulations.</p>					
Final Accounting Date:	31 January					
Interim Accounting Dates:	31 July					
Income Distribution Dates:	31 March					
Share Classes and types of Shares:	<p>Currently available</p> <p>Class A accumulation</p> <p>Class B accumulation</p> <p>Class C accumulation</p> <p>Class D accumulation</p> <p>Class H accumulation (not publicly available)</p> <p>Class I accumulation</p>					
ISA Eligible:	Yes					
Regular Savers:	N/A					
	Class A	Class B	Class C	Class D	Class I	Class H
Initial Charge:	5%	5%	5%	1%	1%	N/A
Redemption Charge:	N/A	N/A	N/A	N/A	N/A	N/A
Charge on Switching:	N/A	N/A	N/A	N/A	N/A	N/A
Annual Management Charge:	1.50%	1.25%	1.00%	0.5%	0.75%	0.30%

Allocation of Charges:	Income		Capital			
AMC:	100%					
Ongoing Operating Costs:	100%					
Dealing and Registration:	100%					
Depository:	100%					
Custody:	100%					
Portfolio Transactions (SDRT, Broker's commission):			100%			
	Class A	Class B	Class C	Class D	Class I	Class H
Investment Minima and Holding*:	£1,000	£5,000	£1,000,000	£1,000	£5,000,000	N/A
Top-up:	£500	£500	£100,000	£500	£100,000	N/A
Past Performance:	See Appendix 5.					

* The ACD may waive the minimum levels at its discretion.

Appendix 1

Details of the Sub-funds

Name:	CF Heartwood Defensive Multi Asset Fund					
Type of Fund:	Non-UCITS retail scheme					
Investment Objective and Policy:	<p>The investment objective of the Fund is to deliver a total return (the combination of income and growth of capital), with an emphasis on the preservation of capital, through investments in a diversified range of asset types.</p> <p>The Fund has no geographical restrictions.</p> <p>The Fund will invest mainly in a portfolio of collective investment schemes and may also invest directly in securities, fixed income assets, warrants, money market instruments, deposits, cash, near cash and derivatives for the purpose of efficient portfolio management.</p> <p>The Fund may invest in investment vehicles qualifying as transferable securities mainly in order to gain indirect exposure to a diversified portfolio of assets including, but not limited to, commercial property, hedge funds and commodities.</p> <p>The Fund may also invest in unregulated collective investment schemes (where investment in such funds would be consistent with the investment objective and policy of the Fund).</p> <p>The Fund may borrow up to 10% of the value of the scheme property as permitted by the regulations.</p> <p>Important Note: Investors should note that whilst in the investment objective there is an emphasis on the preservation of capital, investors should note that there is no guarantee that this will be achieved.</p> <p>There is no guarantee that a positive return will be delivered.</p>					
Final Accounting Date:	31 January					
Interim Accounting Dates:	31 July					
Income Distribution Dates:	31 March, 30 June, 30 September, 31 December					
Share Classes and types of Shares:	<p>Currently available</p> <p>Class A accumulation</p> <p>Class A income</p> <p>Class B accumulation</p> <p>Class B income</p> <p>Class C accumulation</p> <p>Class C income</p> <p>Class D accumulation</p> <p>Class D income</p> <p>Class I accumulation</p> <p>Class I income</p> <p>Class H accumulation (not publicly available)</p> <p>Class H income (not publicly available)</p>					
ISA Eligible:	Yes					
Regular Savers:	N/A					
	Class A	Class B	Class C	Class D	Class I	Class H
Initial Charge:	5%	5%	5%	1%	1%	N/A
Redemption Charge:	N/A	N/A	N/A	N/A	N/A	N/A
Charge on Switching:	N/A	N/A	N/A	N/A	N/A	N/A

Annual Management Charge:	1.50%	1.25%	1.00%	0.5%	0.75%	0.30%
Allocation of Charges:	Income		Capital			
AMC:	100%					
Ongoing Operating Costs:	100%					
Dealing and Registration:	100%					
Depository:	100%					
Custody:	100%					
Portfolio Transactions (SDRT, Broker's commission):			100%			
	Class A	Class B	Class C	Class D	Class I	Class H
Initial Price of Shares:	£1	£1	£1	£1	£1	£1
Investment Minima and Holding*:	£1,000	£5,000	£1,000,000	£1,000	£5,000,000	N/A
Top-up:	£500	£500	£100,000	£500	£100,000	N/A
Initial Offer Period:	One day	One day	One day	One day	One day	One day
Past Performance:	See Appendix 5.					

* The ACD may waive the minimum levels at its discretion.

Appendix 1

Details of the Sub-funds

Name:	CF Heartwood Cautious Income Multi Asset Fund					
Type of Fund:	Non-UCITS retail scheme					
Investment Objective and Policy:	<p>The investment objective of the Fund is to deliver a total return (the combination of income and growth of capital) with an emphasis on generating income through investments in a diversified range of asset types. The Fund will invest no more than 60% of its portfolio in equities.</p> <p>The Fund has no geographical restrictions.</p> <p>The Fund will invest mainly in a portfolio of collective investment schemes and may also invest directly in securities, fixed income assets, warrants, money market instruments, deposits, cash, near cash and derivatives for the purpose of efficient portfolio management.</p> <p>The Fund may invest in investment vehicles qualifying as transferable securities mainly in order to gain indirect exposure to a diversified portfolio of assets including, but not limited to, commercial property, hedge funds and commodities.</p> <p>The Fund may also invest in unregulated collective investment schemes (where investment in such funds would be consistent with the investment objective and policy of the Fund).</p> <p>The Fund may borrow up to 10% of the value of the scheme property as permitted by the regulations.</p> <p>There is no guarantee that a positive return will be delivered.</p>					
Final Accounting Date:	31 January					
Interim Accounting Dates:	31 July					
Income Distribution Dates:	The last day of each month, payable two (2) months in arrears					
Share Classes and types of Shares:	<p>Currently available</p> <p>Class A income</p> <p>Class B income</p> <p>Class C income</p> <p>Class D income</p> <p>Class I income</p> <p>Class H income (not publicly available)</p>					
ISA Eligible:	Yes					
Regular Savers:	N/A					
	Class A	Class B	Class C	Class D	Class I	Class H
Initial Charge:	5%	5%	5%	1%	1%	N/A
Redemption Charge:	N/A	N/A	N/A	N/A	N/A	N/A
Charge on Switching:	N/A	N/A	N/A	N/A	N/A	N/A
Annual Management Charge:	1.50%	1.25%	1.00%	0.5%	0.75%	0.30%
Allocation of Charges:	Income		Capital			
AMC:			100%			
Ongoing Operating Costs:			100%			
Dealing and Registration:			100%			
Depositary:			100%			
Custody:			100%			

Portfolio Transactions (SDRT, Broker's commission):	100%					
	Class A	Class B	Class C	Class D	Class I	Class H
Investment Minima and Holding*:	£1,000	£5,000	£1,000,000	£1,000	£5,000,000	N/A
Top-up:	£500	£500	£100,000	£500	£100,000	N/A
Past Performance:	See Appendix 5.					

* The ACD may waive the minimum levels at its discretion.

Appendix 1

Details of the Sub-funds

Name:	CF Heartwood Balanced Income Multi Asset Fund					
Type of Fund:	Non-UCITS retail scheme					
Investment Objective and Policy:	<p>The investment objective of the Fund is to deliver a total return (the combination of income and growth of capital) with an emphasis on generating income through investments in a diversified range of asset types. The Fund will invest no more than 85% of its portfolio in equities.</p> <p>The Fund has no geographical restrictions.</p> <p>The Fund will invest mainly in a portfolio of collective investment schemes and may also invest directly in securities, fixed income assets, warrants, money market instruments, deposits, cash, near cash and derivatives for the purpose of efficient portfolio management.</p> <p>The Fund may invest in investment vehicles qualifying as transferable securities mainly in order to gain indirect exposure to a diversified portfolio of assets including, but not limited to, commercial property, hedge funds and commodities.</p> <p>The Fund may also invest in unregulated collective investment schemes (where investment in such funds would be consistent with the investment objective and policy of the Fund).</p> <p>The Fund may borrow up to 10% of the value of the scheme property as permitted by the regulations.</p> <p>There is no guarantee that a positive return will be delivered.</p>					
Final Accounting Date:	31 January					
Interim Accounting Dates:	31 July					
Income Distribution Dates:	The last day of each month, payable two (2) months in arrears					
Share Classes and types of Shares:	<p>Currently available</p> <p>Class A income</p> <p>Class B income</p> <p>Class C income</p> <p>Class D income</p> <p>Class I income</p> <p>Class H income (not publicly available)</p>					
ISA Eligible:	Yes					
Regular Savers:	N/A					
	Class A	Class B	Class C	Class D	Class I	Class H
Initial Charge:	5%	5%	5%	1%	1%	N/A
Redemption Charge:	N/A	N/A	N/A	N/A	N/A	N/A
Charge on Switching:	N/A	N/A	N/A	N/A	N/A	N/A
Annual Management Charge:	1.50%	1.25%	1.00%	0.5%	0.75%	0.30%
Allocation of Charges:	Income		Capital			
AMC:			100%			
Ongoing Operating Costs:			100%			
Dealing and Registration:			100%			
Depositary:			100%			
Custody:			100%			
Portfolio Transactions (SDRT, Broker's commission):			100%			

	Class A	Class B	Class C	Class D	Class I	Class H
Investment Minima and Holding*:	£1,000	£5,000	£1,000,000	£1,000	£5,000,000	N/A
Top-up:	£500	£500	£100,000	£500	£100,000	N/A
Past Performance:	See Appendix 5.					

* The ACD may waive the minimum levels at its discretion.

Appendix 2

Eligible Securities Markets and Eligible Derivatives Markets

The Company may deal through securities and derivatives markets which are regulated markets (as defined in the glossary to the FCA Handbook) or markets established in an EEA State which are regulated, operate regularly and are open to the public (excluding Cyprus and Slovenia).

The Company may also deal through the securities markets and derivatives markets indicated below.

Eligible Securities Markets:

Countries	Eligible Securities Markets
Australia	Australian Securities Exchange (ASX)
Canada	Toronto Stock Exchange (TSX) TSX Venture Exchange
Channel Islands	Channel Islands Stock Exchange
Hong Kong	Hong Kong Exchange
Japan	Tokyo Stock Exchange Osaka Securities Exchange
Mexico	Bolsa Mexicana de Valores (BMV)
New Zealand	New Zealand Exchange (NZX)
Republic of Korea (South Korea)	Korea Exchange (KRX)
Singapore	Singapore Exchange (SGX)
South Africa	JSE Limited
Taiwan	Taiwan Stock Exchange
Thailand	The Stock Exchange of Thailand (SET)
United States of America	NYSE Arca NASDAQ OMX PHLX The NASDAQ Stock Market (NASDAQ) NYSE Euronext New York NYSE MKT LLC

Eligible Derivatives Markets:**Countries****Eligible Derivatives Markets**

Australia	Australian Securities Exchange (ASX) Sydney Futures Exchange (SFE)
Canada	Montreal Exchange
Hong Kong	Hong Kong Stock Exchange
Japan	Tokyo Stock Exchange Osaka Securities Exchange
Mexico	Bolsa Mexicana de Valores (BMV)
South Africa	JSE (SAFEX) Limited
Switzerland	Eurex Zurich
The United States of America	The NASDAQ Stock Market (NASDAQ) NYSE Euronext New York New York Mercantile Exchange (NYMEX) Chicago Board of Trade Chicago Mercantile Exchange NASDAQ OMX NFX NYSE Arca NASDAQ OMX PHLX

Appendix 3

Investment and Borrowing Powers of the Company

1. General

The Scheme Property of a Sub-fund will be invested with the aim of achieving the investment objective of that Sub-fund but subject to the limits set out in the Sub-fund's investment policy, this Prospectus and the limits set out in Chapter 5 of the COLL Sourcebook ("COLL 5") that are applicable to non-UCITS retail schemes. These limits apply to each Sub-fund as summarised below.

Normally, a Sub-fund will be fully invested save for an amount to enable redemption of Shares, efficient management of a Sub-fund in relation to its strategic objective and other purposes which may be reasonably regarded as ancillary to the investment objectives of the Sub-funds.

This amount will vary depending upon prevailing circumstances and although it would normally not exceed 10% of the total value of a Sub-fund, there may be times when the Investment Manager considers stock markets to be overpriced or that a period of instability exists which presents unusual risks. In such cases or during such periods, a higher level of liquidity may be maintained and, if considered prudent, the amount of cash or near cash instruments held would be increased. Unless market conditions were deemed unusually risky, the increased amount and period would not be expected to exceed 30% and six months respectively.

The Company will not invest directly in gold or immovable property but may gain indirect exposure to these asset classes through investment types permitted under the investment policy and COLL.

The Company will not maintain an interest in immovable property or tangible moveable property for the direct pursuit of the ICVC's business.

1.1 Prudent spread of risk

The ACD must ensure that, taking account of the investment objectives and policies of each Sub-fund, the Scheme Property of each Sub-fund aims to provide a prudent spread of risk. Subject to paragraphs 1.1.1 and 1.1.2, the rules relating to spread of investments, including immovables, do not apply until 12 months after the later of:

- (a) the date when the authorisation order in respect of the non-UCITS retail scheme takes effect; and
- (b) the date the initial offer commenced;

provided that 1.1 is complied with during such period.

1.1.1 Subject to 1.1.2 below, the limits in COLL 5.6.19R do not apply until 24 months after the later of:

- (a) the date when the authorisation order in respect of the non-UCITS retail scheme takes effect; and
- (b) the date the initial offer commenced;

1.1.2 The limit in COLL 5.6.19R(7) relating to immovables which are unoccupied and non-income producing or are in the course of substantial development, redevelopment or refurbishment applies from the later of the date when the authorisation order in respect of the non-UCITS retail scheme takes effect and the date the initial offer period commenced.

1.2 Cover

1.2.1 Where the COLL Sourcebook allows a transaction to be entered into or an investment to be retained only (for example, investment in warrants and nil and partly paid securities and the general power to accept or underwrite) if possible obligations arising out of the investment transactions or out of the retention would not cause any breach of any limits in COLL 5, it must be assumed that the maximum possible liability of a Sub-fund under any other of those rules has also to be provided for.

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

- 1.2.2.1 it must be assumed that in applying any of those rules, a Sub-fund must also simultaneously satisfy any other obligation relating to cover; and
- 1.2.2.2 no element of cover must be used more than once.

2. Non-UCITS retail schemes – general

- 2.1 Subject to the investment objective and policy of a Sub-fund, the Scheme Property must, except where otherwise provided in COLL 5 only consist of any or all of:
 - 2.1.1 transferable securities;
 - 2.1.2 money-market instruments;
 - 2.1.3 units or shares in permitted collective investment schemes;
 - 2.1.4 permitted derivatives and forward transactions;
 - 2.1.5 permitted deposits;
 - 2.1.6 permitted immovables; and
 - 2.1.7 gold up to a limit of 10% in value of the Scheme Property of each Sub-funds.
- 2.2 Transferable securities and money-market instruments held within a Sub-fund must (subject to paragraph 2.2.4 of this Appendix) be:
 - 2.2.1 admitted to or dealt in on an eligible market as described below;
 - 2.2.2 be approved money-market instruments not admitted or dealt in on an eligible market below which satisfy the requirement of paragraph 8 (Investment in money market instruments) of this Appendix;
 - 2.2.3 recently issued transferable securities provided that:
 - 2.2.3.1 the terms of issue include an undertaking that application will be made to be admitted on an eligible market; and
 - 2.2.3.2 such admission is secured within a year of issue.
 - 2.2.4 subject to a limit of 20% in value of the Scheme Property be:
 - 2.2.4.1 transferable securities which are not within 2.2.1 to 2.2.3; or
 - 2.2.4.2 money-market instruments which are liquid and have a value which can be determined accurately at any time.
- 2.3 The requirements on spread of investments do not apply until 12 months after the later of:
 - 2.3.1 the date when the authorisation order in respect of the non-UCITS retail scheme takes effect; and
 - 2.3.2 the date the initial offer commenced;provided that 1.1 (Prudent spread of risk) is complied with during such period.
- 2.4 Up to 5% of the Scheme Property of the Sub-funds may be invested in warrants.
- 2.5 Transferable securities held by the Company must also satisfy the criteria in COLL 5.2.7AR, COLL 5.2.7CR and COLL 5.2.7ER for the purposes of investment by a UCITS scheme.

3. Eligible markets regime: purpose

- 3.1 This section specifies criteria as to the nature of the markets in which property of a Non-UCITS retail scheme may be invested.
- 3.2 Where a market ceases to be eligible, investments on that market cease to be approved securities. The 20% restriction on investing in non approved securities applies and exceeding this limit because a market ceases to be eligible will generally be regarded as a breach beyond the control of the ACD.
- 3.3 A market is eligible for the purposes of the rules if it is:
 - 3.3.1 a regulated market as defined in the FCA Handbook; or
 - 3.3.2 a market in an EEA State which is regulated, operates regularly and is open to the public.
 - 3.3.3 any market within 3.4 below.
- 3.4 A market falling within paragraph 3.3 of this Appendix is eligible for the purposes of COLL 5 if:
 - 3.4.1 the ACD, after consultation with and notification to the Depositary, decides that market is appropriate for investment of, or dealing in, the Scheme Property;
 - 3.4.2 the market is included in a list in the Prospectus; and
 - 3.4.3 the Depositary has taken reasonable care to determine that:
 - 3.4.3.1 adequate custody arrangements can be provided for the investment dealt in on that market; and
 - 3.4.3.2 all reasonable steps have been taken by the ACD in deciding whether that market is eligible.
- 3.5 In paragraph 3.4.1, a market must not be considered appropriate unless it is regulated, operates regularly, is recognised, is open to the public, is adequately liquid and has adequate arrangements for unimpeded transmission of income and capital to or for the order of investors.

4. Spread: general

- 4.1 This rule on spread does not apply in respect of government and public securities.
- 4.2 Not more than 20% in value of the Scheme Property of a Sub-fund is to consist of deposits with a single body.
- 4.3 Not more than 10% in value of the Scheme Property of a Sub-fund is to consist of transferable securities or money-market instruments issued by any single body subject to COLL 5.6.23R (Schemes replicating an index).
- 4.4 The limit of 10% in paragraph 4.3 above is raised to 25% in value of the Scheme Property of a Sub-fund in respect of covered bonds.
- 4.5 In applying paragraph 4.3, certificates representing certain securities are to be treated as equivalent to the underlying security.
- 4.6 Not more than 35% in value of the Scheme Property of a Sub-fund is to consist of the units or shares of any one collective investment scheme.
- 4.7 The exposure to any one counterparty in an OTC derivative transaction must not exceed 10% in value of the Scheme Property of a Sub-fund.
- 4.8 For the purpose of calculating the limit in paragraph 4.7, the exposure in respect of an OTC derivative may be reduced to the extent that collateral is held in respect of it if the collateral meets each of the following conditions:
 - 4.8.1 it is marked-to-market on a daily basis and exceeds the value of the amount at risk;
 - 4.8.2 it is exposed only to negligible risks (e.g. government bonds of first credit rating or cash) and is liquid;
 - 4.8.3 it is 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
 - 4.8.4 can be fully enforced by a Sub-fund at any time.
- 4.9 For the purposes of calculating the limits in paragraph 4.7, OTC derivative positions with the same counterparty may be netted provided that the netting procedures:
 - 4.9.1 comply with the conditions set out in Part 7 (Contractual netting (Contracts for novation and other netting agreements)) of Annex III to the Banking Consolidation Directive; and
 - 4.9.2 are based on legally binding agreements.
- 4.10 In applying this paragraph (Spread: general), all derivatives transactions are deemed to be free of counterparty risk if they are performed on an exchange where the clearing house meets each of the following conditions:
 - 4.10.1 it is backed by an appropriate performance guarantee; and
 - 4.10.2 it is characterised by a daily mark-to-market valuation of the derivative positions and at least daily margining.

5. Spread: government and public securities

- 5.1 The following section applies to government and public securities ("such securities").
- 5.2 Where no more than 35% in value of the Scheme Property is invested in such securities issued by any one body, there is no limit on the amount which may be invested in such securities or in any one issue.
- 5.3 The Company or any Sub-fund may invest more than 35% in value of the Scheme Property in such securities issued by any one body provided that:
 - 5.3.1 the ACD has before any such investment is made consulted with the Depositary and as a result considers that the issuer of such securities is one which is appropriate in accordance with the investment objective of a Sub-fund;
 - 5.3.2 no more than 30% in value of the Scheme Property of a Sub-fund consists of such securities of any one issue;
 - 5.3.3 the Scheme Property of a Sub-fund includes such securities issued by that or another issuer, of at least six different issues;
 - 5.3.4 the following disclosures required by the FCA have been made in the most recently published Prospectus.
- 5.4 In giving effect to the foregoing object more than 35% of the Scheme Property may be invested in Government and other public securities issued or guaranteed by the Government of the United Kingdom; the Executive Committee of the Northern Ireland Assembly; the Scottish Administration; the National Assembly of Wales; the Governments of Austria; Belgium; Denmark; Finland; France; Germany; Greece; Ireland; Italy; Luxembourg; Netherlands; Portugal; Spain; Sweden; Cyprus; Czech Republic; Estonia; Hungary; Latvia; Lithuania; Malta; Poland; Slovakia; Slovenia; the Governments of Australia; Canada; Japan; New Zealand; Switzerland and the United States of America; The European Investment Bank; the World Bank; the European Bank of Reconstruction & Development (EBRD); the Inter American Development Bank (IADB); the Asian Development Bank; the International Finance Corporation; the Japan Development Bank; the Nordic Investment Bank; the Council of Europe Development Bank, and the European Federal Home Loans.

6. Investment in collective investment schemes

- 6.1 Up to 100% of the value of the Scheme Property of a Sub-fund may be invested in units or shares in other collective investment schemes ("Second Scheme") provided that the Second Scheme satisfies all of the requirements of paragraphs 6.1.1 to 6.1.5.
- 6.1.1 The Second Scheme must:
- 6.1.1.1 satisfy the conditions necessary for it to enjoy the rights conferred by the UCITS Directive; or
 - 6.1.1.2 be authorised as a non-UCITS retail scheme; or
 - 6.1.1.3 be recognised under the provisions of s.264, s.270 or s.272 of the Financial Services and Markets Act 2000; or
 - 6.1.1.4 be constituted outside the United Kingdom and have investment and borrowing powers which are the same or more restrictive than those of a non-UCITS retail scheme; or
 - 6.1.1.5 be a scheme not falling within paragraphs 6.1.1.1 to 6.1.1.4 and in respect of which no more than 20% in value of the Scheme Property (including any transferable securities which are not approved securities) is invested.
- 6.1.2 The Second Scheme is a scheme which operates on the principle of the prudent spread of risk.
- 6.1.3 The Second Scheme is prohibited from having more than 15% in value of the scheme property consisting of units or shares in collective investment schemes.
- 6.1.4 The participants in the Second Scheme must be entitled to have their units or shares redeemed in accordance with the scheme at a price related to the net value of the property to which the units or shares relate and determined in accordance with the scheme.
- 6.1.5 Where the Second Scheme is an umbrella, the provisions in paragraphs 6.1.2 to 6.1.4 and paragraph 4 (Spread: General) apply to each sub-fund as if it were a separate scheme.
- 6.2 The Scheme Property attributable to a Sub-fund may include Shares in another Sub-Fund of the Company (the "Second Sub-fund") subject to the requirements of paragraph 6.3 below.
- 6.3 A Sub-fund may invest in or dispose of Shares of a Second Sub-fund provided that:-
- 6.3.1 the Second Sub-fund does not hold Shares in any other Sub-fund of the Company;
 - 6.3.2 the requirements set out at paragraph 6.5 below are complied with; and
 - 6.3.3 not more than 35% in value of the Scheme Property of the investing or disposing Sub-fund is to consist of Shares in the Second Sub-fund.
- 6.4 The Sub-funds may, subject to the limit set out in paragraph 6.1 above, invest in collective investment schemes managed or operated by, or whose authorised corporate director is, the ACD of the Sub-funds or one of its Associates.
- 6.5 Investment may only be made in other collective investment schemes managed by the ACD or an associate of the ACD if the Prospectus of the Company clearly states that the Sub-funds may enter into such investments and the rules on double charging contained in the COLL Sourcebook are complied with.

7. Investment in nil and partly paid securities

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

8. Investment in money-market instruments

- 8.1 A Sub-fund may invest up to 100% in money-market instruments which are within the provisions of 2.2 above or 8.2 below and subject to the limit of 20% referred to in 2.2.4 above, which are normally dealt in or on the money-market, are liquid and whose value can be accurately determined at any time.
- 8.2 In addition to instruments admitted to or dealt in on an eligible market, a Sub-fund may invest in an approved money-market instrument provided it fulfils the following requirements:
- 8.2.1 the issue or the issuer is regulated for the purpose of protecting investors and savings; and
 - 8.2.2 the instrument is issued or guaranteed in accordance with COLL 5.2.10BR.
- 8.3 The issue or the issuer of a money-market instrument, other than one dealt in on an eligible market, shall be regarded as regulated for the purpose of protecting investors and savings if:
- 8.3.1 the instrument is an approved money-market instrument;
 - 8.3.2 appropriate information is available for the instrument (including Information which allows an appropriate assessment of the credit risks related to investment in it), in accordance with COLL 5.2.10CR; and
 - 8.3.3 the instrument is freely transferable.

9. Derivatives: general

- 9.1 The Investment Manager may employ derivatives for the purposes of Efficient Portfolio Management, further information on EPM is provided in paragraph 10. To the extent that derivative instruments are utilised for hedging purposes, the risk of loss to the Sub-fund may be increased where the value of the derivative instrument and the value of the security or position which it is hedging prove to be insufficiently correlated.
- 9.2 A transaction in derivatives or a forward transaction must not be effected for the Sub-fund unless the transaction is of a kind specified in paragraph 11 (Permitted transactions (derivatives and forwards)) below, and the transaction is covered, as required by paragraph 18 (Cover for investment in derivatives and forward transactions) of this Appendix.
- 9.3 Where a Sub-fund invests in derivatives, the exposure to the underlying assets must not exceed the limits set out in the COLL Sourcebook in relation to COLL 5.6.7R (Spread: general) and COLL 5.6.8R (Spread: government and public securities) set out in paragraphs 4 and 5 above, except for index based derivatives where the rules in paragraph 9.7 below apply.
- 9.4 Where a transferable security or approved money-market instrument embeds a derivative, this must be taken into account for the purposes of calculating any limit in this section.
- 9.5 A transferable security or an approved money-market instrument will embed a derivative if it contains a component which fulfils the following criteria:
 - 9.5.1 by virtue of that component some or all of the cash flows that otherwise would be required by the transferable security or approved money-market instrument which functions as host contract can be modified according to a specified interest rate, financial instrument price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, and therefore vary in a way similar to a stand-alone derivative;
 - 9.5.2 its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract; and
 - 9.5.3 it has a significant impact on the risk profile and pricing of the transferable security or approved money-market instrument.
- 9.6 A transferable security or an approved money-market instrument does not embed a derivative where it contains a component which is contractually transferable independently of the transferable security or the approved money-market instrument. That component shall be deemed to be a separate instrument.
- 9.7 Where the Sub-fund invests in an index based derivative, provided the relevant index falls within COLL 5.6.23R (Schemes replicating an index), the underlying constituents of the index do not have to be taken into account for the purposes of COLL 5.6.7R and COLL 5.6.8R set out in paragraphs 4 and 5 (relating to spread).
- 9.8 The Relaxation in 9.7 above is subject to the ACD taking account of COLL 5.6.3 (Prudent spread of risk) set out in section 1.1 above.

10. Efficient Portfolio Management (EPM)

- 10.1 The Company may use Scheme Property to enter into transactions for the purposes of EPM. Permitted EPM transactions include transactions in derivatives dealt or traded on an eligible derivatives market or over-the-counter. Where permitted, EPM techniques may also involve the Company entering into stock lending transactions or reverse repurchase agreements. The ACD must ensure in entering into EPM transactions that the transaction is economically appropriate to (i) the reduction of the relevant risks (whether in the price of investments, interest rates or exchange rates) or (ii) the reduction of the relevant costs and/or (iii) the generation of additional capital or income for the scheme with a risk level which is consistent with the risk profile of the scheme and the risk diversification rules laid down in the FCA's COLL sourcebook.
- 10.2 There is no guarantee that the Company will achieve the objective for which any EPM transaction was undertaken. To the extent that derivative instruments are utilised for hedging purposes (reduction of the risk profile of the Company), the risk of loss to the Company may be increased where the value of the derivative instrument and the value of the security or position which it is hedging prove to be insufficiently correlated. EPM transactions (save to the extent that derivatives are traded on exchange) may involve a risk that a counterparty will wholly or partially fail to honour its contractual obligations.
- 10.3 In order to mitigate that risk of counterparty default, the counterparties to these transactions may be required to provide collateral to suitably cover their obligations to the Company. In the event of default by the counterparty, it will forfeit its collateral on the transaction. However, there is a risk that the collateral, especially where it is in the form of securities, when realised will not raise sufficient cash to settle the counterparty's liability to the Company. Securities lending transactions may, in the event of a default by the counterparty, result in the securities lent being recovered late or only in part. This may result in loss for the Company.
- 10.4 To assist in managing these types of risks, the ACD has a collateral management policy which sets criteria around the types of eligible collateral the Company may accept. A copy of this is available from the ACD on request.

- 10.5 Investors should note that EPM transactions may be effected in relation to the Company in circumstances where the ACD or Investment Manager has, either directly or indirectly, an interest which may potentially involve a conflict of their obligations to the Company. Where a conflict cannot be avoided, the ACD and Investment Manager will have regard to their responsibility to act in the best interests of the Company and its investors. The ACD and Investment Manager will ensure that the Company and its investors are treated fairly and that such transactions are effected on terms which are not less favourable to the Company than if the potential conflict had not existed. For further information in relation to conflicts of interest, please see the 'conflicts of interest' section of this prospectus.
- 10.6 All revenues arising from EPM transactions (including stock lending and repurchase and reverse repurchase arrangements, if any) will be returned to the Company, net of direct and indirect operational costs and fees.

11. Permitted transactions (derivatives and forwards)

- 11.1 A transaction in a derivative must be:
- 11.1.1 in an approved derivative; or
 - 11.1.2 be one which complies with paragraph 15 (OTC transactions in derivatives).
- 11.2 A transaction in a derivative must have the underlying consisting of any one or more of the following to which a Sub-fund is dedicated:
- 11.2.1 transferable securities;
 - 11.2.2 money-market instruments;
 - 11.2.3 permitted deposits;
 - 11.2.4 derivatives and forward transactions permitted under this paragraph;
 - 11.2.5 collective investment scheme units permitted under paragraph 6 (Investment in collective investment schemes);
 - 11.2.6 permitted immovables;
 - 11.2.7 gold up to a limit of 10% of the scheme property of a Sub-fund;
 - 11.2.8 financial indices which satisfy the criteria set out in COLL 5.2.20AR set out in paragraph 12 below;
 - 11.2.9 interest rates;
 - 11.2.10 foreign exchange rates; and
 - 11.2.11 currencies.
- 11.3 The exposure to the underlyings in paragraph 11.2 above must not exceed the limits in paragraphs 4 and 5 (relating to spread) above.
- 11.4 A transaction in an approved derivative must be effected on or under the rules of an eligible derivatives market. A list of the current eligible derivatives markets is set out in Appendix 2. Further derivatives markets may be added following consultation with the Depositary in accordance with COLL.
- 11.5 A transaction in a derivative must not cause a Sub-fund to diverge from its investment objectives as stated in the Instrument of Incorporation and the most recently published version of this Prospectus.
- 11.6 A transaction in a derivative must not be entered into if the intended effect is to create the potential for an uncovered sale of transferable securities, money-market instruments, units in collective investment schemes, or derivatives., provided that a sale is not to be considered as uncovered if the conditions in paragraph 14.1 are satisfied.
- 11.7 Any forward transaction must be with an Eligible Institution or an Approved Bank (as defined in the Glossary to the FCA Handbook).
- 11.8 The ACD must ensure compliance with COLL 5.3.3AR (Cover for investment in derivative and forward transactions), 5.3.3BR and 5.3.3CR (Daily calculation of global exposure) set out in paragraph 19 below.

12. Financial indices underlying derivatives

- 12.1 The financial indices referred to in paragraph 11.2.8 are those which satisfy the following criteria:
- 12.1.1 the index is sufficiently diversified;
 - 12.1.2 the index represents an adequate benchmark for the market to which it refers; and
 - 12.1.3 the index is published in an appropriate manner.
- 12.2 A financial index is sufficiently diversified if:
- 12.2.1 it is composed in such a way that price movements or trading activities regarding one component do not unduly influence the performance of the whole index;

- 12.2.2 where it is composed of assets in which a Sub-fund is permitted to invest, its composition is at least diversified in accordance with the requirements with respect to spread and concentration set out in this Appendix; and
- 12.2.3 where it is composed of assets in which a Sub-fund cannot invest, it is diversified in a way which is equivalent to the diversification achieved by the requirements with respect to spread and concentration set out in this Appendix.
- 12.3 A financial index represents an adequate benchmark for the market to which it refers if:
 - 12.3.1 it measures the performance of a representative group of underlyings in a relevant and appropriate way;
 - 12.3.2 it is revised or rebalanced periodically to ensure that it continues to reflect the markets to which it refers, following criteria which are publicly available; and
 - 12.3.3 the underlyings are sufficiently liquid, allowing users to replicate it if necessary.
- 12.4 A financial index is published in an appropriate manner if:
 - 12.4.1 its publication process relies on sound procedures to collect prices, and calculate and subsequently publish the index value, including pricing procedures for components where a market price is not available; and
 - 12.4.2 material information on matters such as index calculation, rebalancing methodologies, index changes or any operational difficulties in providing timely or accurate information is provided on a wide and timely basis.
- 12.5 Where the composition of underlyings of a transaction in a derivative does not satisfy the requirements for a financial index, the underlyings for that transaction shall where they satisfy the requirements with respect to other underlyings pursuant to paragraph 11.2 be regarded as a combination of those underlyings.

13. Transactions for the purchase of property

- 13.1 A derivative or forward transaction which will or could lead to the delivery of property for the account of a Sub-fund may be entered into only if that property can be held for the account of a Sub-fund, and the ACD having taken reasonable care determines that delivery of the property under the transaction will not occur or will not lead to a breach of the rules in the COLL Sourcebook.

14. Requirement to cover sales

- 14.1 No agreement by or on behalf of a Sub-fund to dispose of property or rights may be made unless:
 - 14.1.1 the obligation to make the disposal and any other similar obligation could immediately be honoured by a Sub-fund by delivery of property or the assignment (or, in Scotland, assignation) of rights; and
 - 14.1.2 the property and rights above are owned by a Sub-fund at the time of the agreement.
- 14.2 This requirement does not apply to a deposit.

Guidance on Requirement to cover sales

- 14.3 The requirement in 14.1.1 above could be met where:
 - 14.3.1 the risks of the underlying financial instrument of a derivative can be appropriately represented by another financial instrument and the underlying financial instrument is highly liquid; or
 - 14.3.2 the ACD or the Depositary has the right to settle the derivative in cash and cover exists from within the scheme property of a sub-fund, which falls within one of the following asset classes:
 - 14.3.2.1 cash;
 - 14.3.2.2 liquid debt instruments (e.g. government bonds of first credit rating) with appropriate safeguards (in particular haircuts); or
 - 14.3.2.3 other highly liquid assets having regard to their correlation with the underlying of the financial derivative instruments, subject to appropriate safeguards (e.g. haircuts where relevant).
- 14.4 In the asset classes referred to in 14.3, 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.

15. OTC transactions in derivatives

- 15.1 Any transaction in an OTC derivative under paragraph 11 must be:
 - 15.1.1 in a future or an option or a contract for differences
 - 15.1.2 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 (as defined in the Glossary to the FCA Handbook); or a person whose permission (including any requirements or limitations), as published in the Financial Services Register or whose Home State authorisation, permits it to enter into the transaction as principal off-exchange;

- 15.1.3 on approved terms; the terms of the transaction in derivatives are approved only if, the ACD:
 - 15.1.3.1 carries out, at least daily, a reliable and verifiable valuation in respect of that transaction corresponding to its fair value and which does not rely only on market quotations by the counterparty; and
 - 15.1.3.2 can enter into one or more further transaction to sell, liquidate or close out that transaction at any time, at a fair value;
- 15.1.4 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:
 - 15.1.4.1 on the basis of an up-to-date market value which the ACD and the Depositary have agreed is reliable; or
 - 15.1.4.2 if the value referred to in paragraph 15.1.4.1 is not available, on the basis of a pricing model which the ACD and the Depositary have agreed uses an adequate recognised methodology; and
- 15.1.5 subject to verifiable valuation: a transaction in derivatives is subject to verifiable valuation only if, throughout the life of the derivative (if the transaction is entered into) verification of the valuation is carried out by:
 - 15.1.5.1 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
 - 15.1.5.2 a department within the ACD which is independent from the department in charge of managing the Scheme Property of a Sub-fund and which is adequately equipped for such a purpose.
- 15.2 For the purposes of section 15.1.3, fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

16. Risk management

- 16.1 The ACD uses a risk management process, enabling it to monitor and measure at any time the risk of a Sub-fund's positions and their contribution to the overall risk profile of Sub-fund. Before using the process, the ACD will notify the FCA of the details of the risk management process.

17. Investments in deposits

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

18. Schemes replicating an index

- 18.1 A sub-fund may invest up to 20% in value of its scheme property in shares and debentures which are issued by the same body where the stated investment policy (in the most recently published prospectus) is to replicate the performance or composition of a relevant index as defined in 18.4 below.
- 18.2 The 20% limit can be raised for a particular sub-fund up to 35% in value of its scheme property, but only in respect of one body and where justified by exceptional market conditions.
- 18.3 In the case of a sub-fund replicating an index the scheme property of a sub-fund need not consist of the exact composition and weighting of the underlying in the relevant index where deviation from this is expedient for reasons of poor liquidity or excessive cost to a sub-fund in trading in an underlying investment.
- 18.4 The indices referred to above are those which satisfy the following criteria:
 - 18.4.1 the composition is sufficiently diversified;
 - 18.4.2 the index is a representative benchmark for the market to which it refers; and
 - 18.4.3 the index is published in an appropriate manner.

19. Cover for investment in derivatives and forward transactions

- 19.1 A Sub-fund may invest in derivatives and forward transactions as long as the exposure to which a Sub-fund is committed by that transaction itself is suitably covered from within its Scheme Property. Exposure will include any initial outlay in respect of that transaction.
- 19.2 Cover ensures that a Sub-fund is not exposed to the risk of loss of property, including money, to an extent greater than the net value of its Scheme Property. Therefore, a Sub-fund must hold Scheme Property sufficient in value or amount to match the exposure arising from a derivative obligation to which a Sub-fund is committed. Detailed requirements for cover of a Sub-fund are set out below.

- 19.3 A future is to be regarded as an obligation to which a Sub-fund is committed (in that, unless closed out, the future will require something to be delivered, or accepted and paid for; a written option as an obligation to which a Sub-fund is committed (in that it gives the right of potential exercise to another thereby creating exposure); and a bought option as a right (in that the purchaser can, but need not, exercise the right to require the writer to deliver and accept and pay for something).
- 19.4 Cover used in respect of one transaction in derivatives or forward transaction must not be used for cover in respect of another transaction in derivatives or a forward transaction.
- 19.5 The ACD must ensure that its global exposure relating to derivatives and forward transactions held in a Sub-fund does not exceed the net value of the scheme property.
- 19.6 The ACD must calculate its global exposure on at least a daily basis.
- 19.7 For the purposes of this section, exposure must be calculated taking into account the current value for the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.

20. Borrowing

- 20.1 Cash obtained from borrowing, and borrowing which the ACD reasonably regards an Eligible Institution or an Approved Bank to be committed to provide, is available for cover under paragraph 19 above, except where 19.2 applies.
- 20.2 Where, for the purposes of this paragraph the Company borrows an amount of currency from an Eligible Institution or an Approved Bank; and keeps an amount in another currency, at least equal to such borrowing for the time being on deposit with the lender (or his agent or nominee), then this applies as if the borrowed currency, and not the deposited currency, were part of the Scheme Property.

21. Cash and near cash

- 21.1 Cash and near cash must not be retained in the Scheme Property except to the extent that, where this may reasonably be regarded as necessary in order to enable:
 - 21.1.1 the pursuit of a Sub-fund's investment objectives; or
 - 21.1.2 the redemption of shares; or
 - 21.1.3 efficient management of a Sub-fund in accordance with its investment objectives; or
 - 21.1.4 other purposes which may reasonably be regarded as ancillary to the investment objective of a Sub-fund.
- 21.2 During the period of the initial offer the Scheme Property may consist of cash and near cash without limitation.

22. General

- 22.1 It is envisaged that a Sub-fund will normally be fully invested but there may be times that it is appropriate not to be fully invested when the ACD reasonably regards this as necessary in order to enable the redemption of units, efficient management of a Sub-fund or any one purpose which may reasonably be regarded as ancillary to the investment objectives of a Sub-fund.
- 22.2 Where the Company invests in or disposes of units or shares in another collective investment scheme which is managed or operated by the ACD or an associate of the ACD, the ACD must pay to the Company by the close of business on the fourth Business Day the amount of any preliminary charge in respect of a purchase, and in the case of a sale, any charge made for the disposal.
- 22.3 A potential breach of any of these limits does not prevent the exercise of rights conferred by investments held by a Sub-fund but, in the event of a consequent breach, the ACD must then take such steps as are necessary to restore compliance with the investment limits as soon as practicable having regard to the interests of Shareholders.

23. Underwriting

- 23.1 Underwriting and sub underwriting contracts and placings may also, subject to certain conditions set out in the COLL Sourcebook, be entered into for the account of a Sub-fund.

24. General power to borrow

- 24.1 The Company may, subject to the COLL Sourcebook, borrow money from an Eligible Institution or an Approved Bank for the use of the Company on terms that the borrowing is to be repayable out of the Scheme Property. This power to borrow is subject to the obligation of the Company to comply with any restriction in the Instrument of Incorporation.
- 24.2 The ACD must ensure that borrowing does not, on any Business Day, exceed 10% of the value of each Sub-fund.

- 24.3 These borrowing restrictions do not apply to “back to back” borrowing for currency hedging purposes (i.e. borrowing permitted in order to reduce or eliminate risk arising by reason of fluctuations in exchange rates).

25. Restrictions on lending of money

- 25.1 None of the money in the Scheme Property may be lent and, for the purposes of this prohibition, money is lent by the Company if it is paid to a person (“the payee”) on the basis that it should be repaid, whether or not by the payee.
- 25.2 Acquiring a debenture is not lending for the purposes of paragraph 25.1 nor is the placing of money on deposit or in a current account.

26. Restrictions on lending of property other than money

- 26.1 Scheme Property other than money must not be lent by way of deposit or otherwise.
- 26.2 Where transactions in derivatives or forward transactions are used for the account of the Company in accordance with COLL 5, nothing in this paragraph prevents the Company or the Depositary at the request of the Company: from lending, depositing, pledging or charging its Scheme Property for margin requirements; or transferring Scheme Property under the terms of an agreement in relation to margin requirements, provided that the ACD reasonably considers that both the agreement and the margin arrangements made under it (including in relation to the level of margin) provide appropriate protection to Shareholders.

27. General power to accept or underwrite placings

- 27.1 Any power in COLL 5 to invest in transferable securities may be used for the purpose of entering into transactions to which this section applies, subject to compliance with any restriction in the Instrument of Incorporation. This section applies, to any agreement or understanding: which is an underwriting or sub-underwriting agreement, or which contemplates that securities will or may be issued or subscribed for or acquired for the account of a Sub-fund.
- 27.2 This ability does not apply to an option, or a purchase of a transferable security which confers a right to subscribe for or acquire a transferable security, or to convert one transferable security into another.
- 27.3 The exposure of a Sub-fund to agreements and understandings as set out above, must on any day be covered under paragraph 19 above (Cover for investment in derivatives and forward transactions and be 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 the COLL Sourcebook).

28. Guarantees and indemnities

- 28.1 The Company or the Depositary for the account of the Company or a Sub-fund must not provide any guarantee or indemnity in respect of the obligation of any person.
- 28.2 None of the Scheme Property of a Sub-fund may be used to discharge any obligation arising under a guarantee or indemnity with respect to the obligation of any person.
- 28.3 Paragraphs 28.1 and 28.2 do not apply in respect of a Sub-fund to any indemnity or guarantee given for margin requirements where the derivatives or forward transactions are being used in accordance with COLL 5, and:
- 28.3.1 an indemnity falling within the provisions of regulation 62(3) (Exemptions from liability to be void) of the OEIC Regulations;
- 28.3.2 an indemnity (other than any provision in it which is void under regulation 62 of the OEIC Regulations) given to the Depositary against any liability incurred by it as a consequence of the safekeeping of any of the Scheme Property by it or by anyone retained by it to assist it to perform its function of the safekeeping of the Scheme Property; and
- 28.3.3 an indemnity given to a person winding up a scheme if the indemnity is given for the purposes of arrangements by which the whole or part of the property of that scheme becomes the first property of a Sub-fund and the holders of units in that scheme become the first shareholders in a Sub-fund.

Appendix 4

List of Other Authorised Collective Investment Schemes Operated by the ACD

The ACD acts as Authorised Corporate Director of the following Open-ended Investment Companies:

Asperior Investment Funds	CF Ruffer Investment Funds
Astraea Investment Funds	CF TY Investment Funds
Celestial Investment Funds	CF UK Fund
CF 7IM Investment Funds	CF Cautela Fund
CF 7IM Opportunity Funds	CF Zenith St Andrews Fund
CF 7IM Specialist Investment Funds	Embley Investments Funds
CF Absolute Return Portfolio Funds	Gresham Defined Funds
CF Arch Cru Investment Funds	Luscinia Investments Funds
CF Arch Cru Diversified Funds	Packel Global Fund
CF Asset Value Investors Global Fund	PE Managed Fund
CF Bentley Investment Funds	Pendennis Fund ICVC
CF Canada Life Investment Funds	Purissima Investment Funds
CF Cheviot Investment Funds	Resilient Investment Funds
CF Cornelian Investment Funds	Sheldon Investment Funds
CF Danske Fund	The Abbotsford Fund
CF DSMCP Investment Funds	The Arbor Fund
CF Eclectica Funds	The Aurinko Fund
CF GHC Investment Funds	The Beagle Fund
CF GHC Multi Manager Investment Funds	The Broden Fund
CF Heartwood Multi Asset Funds	The Castleton Growth Fund
CF IM Investment Funds	The CF JOHIM Managed Investment Fund
CF JOHIM Investment Funds	The Circus Fund
CF J.M. Finn Investment Funds	The Cranmer Investment Fund
CF KB Capital Growth Fund	The Davids Fund
CF KB Endeavour Funds	The Folla Fund
CF KB Enterprise Funds	The Gulland Fund
CF KB Explorer Funds	The Helm Investment Fund
CF KB Invicta Fund	The Marten Fund
CF KB Tully Fund	The MN Fund
CF Lindsell Train UK Equity Fund	The Monoux Fund
CF Luna Investment Funds	The Mulberry Fund
CF Macquarie Investment Funds	The Navajo Fund
CF Miton Investment Funds	The New Floco Fund
CF Miton Investment Funds 2	The New Grande Motte Fund
CF Miton Investment Funds 3	The New Jaguar Fund
CF Miton Total Return Fund	The New Viaduct Fund
CF Miton Worldwide Opportunities Fund	The OHP Fund
CF Morant Wright Japan Fund	The Prestney Fund
CF Morant Wright Nippon Yield Fund	The Primrose Fund
CF Odey Funds	The Steelback Fund
CF Odey Investment Funds	The Successor Investment Funds
CF Odey Wealth UK	The Tasman Fund
CF Progressive UK Smaller Companies Fund	Trojan Investment Funds
CF Richmond Core Fund	Windrush Fund
CF Robin Fund	Wood Street Micro Cap Investment Fund

The ACD acts as Manager of the following Authorised Unit Trusts:

CF Adam Worldwide Fund
CF Canlife Balanced Unit Trust
CF Canlife European Unit Trust
CF Canlife General Unit Trust
CF Canlife Gilt & Fixed Interest Unit Trust
CF Canlife Growth Units
CF Canlife Japanese Growth Unit Trust
CF Dream Trust
CF Greenmount Fund
CF Institutional World Fund
CF Catalyst Trust
CF KB Feelgood Trust
CF KB Ramogan Trust
CF Lacombe World Fund
CF New Villture Fund
CF OLIM UK Equity Trust
CF Stewart Ivory Investment Markets Fund
CF Walker Crips Corporate Bond Fund
CF Walker Crips Global Growth Trust
CF Walker Crips Select Income Trust
London Bridge Fund
Lorimer Trust
Sackville Balanced Portfolio Trust
Sackville Growth Portfolio Trust
The Beaver Trust
The Drygate Trust
The Holly Fund
The Mermaid Trust
The Newgate Trust

Appendix 5

Past Performance and Investor Profile

NOTE: Past performance should not be taken as a guide to the future. Please see Appendix I for the Fund's objectives and below for an explanation of investor profile.

CF Heartwood Cautious Multi Asset Fund

Past performance is no indication of future performance.

	2010	2011	2012
CF Heartwood Cautious Multi-Asset fund	6.1%	0.0%	6.0%

Percentage annual performance, B Accumulation Shares, (total return), based on ACD data.

	2010 – 2012
CF Heartwood Cautious Multi-Asset fund	12.4%

Percentage cumulative performance, B Accumulation Shares, (total return), based on ACD data.

CF Heartwood Growth Multi Asset Fund

Past performance is no indication of future performance.

	2010	2011	2012
CF Heartwood Growth Multi-Asset fund	12.8%	-9.0%	10.6%

Percentage annual performance, B Accumulation Shares, (total return), based on ACD data.

	2010 – 2012
CF Heartwood Growth Multi-Asset fund	13.5%

Percentage cumulative performance, B Accumulation Shares, (total return), based on ACD data.

CF Heartwood Balanced Income Multi Asset Fund

Past performance is no indication of future performance.

	2010	2011
CF Heartwood Balanced Income Multi Asset Fund	-3.6%	7.9%

Percentage annual performance, B Income Shares, (total return), based on ACD data.

	2011 – 2012
CF Heartwood Balanced Income Multi Asset Fund	4.0%

Percentage cumulative performance, B Income Shares, (total return), based on ACD data.

CF Heartwood Balanced Multi Asset Fund

Past performance is no indication of future performance.

	2011	2012
CF Heartwood Balanced Multi Asset Fund	-5.3%	7.6%

Percentage annual performance, A Accumulation Shares, (total return), based on ACD data.

	2011 – 2012
CF Heartwood Balanced Multi Asset Fund	2.0%

Percentage cumulative performance, A Accumulation Shares, (total return), based on ACD data.

CF Heartwood Cautious Income Multi Asset Fund

Past performance is no indication of future performance.

	2011	2012
CF Heartwood Cautious Income Multi Asset Fund	-2.2%	6.2%

Percentage annual performance, A Income Shares, (total return), based on ACD data.

	2011 – 2012
CF Heartwood Cautious Income Multi Asset Fund	2.0%

Percentage cumulative performance, A Income Shares, (total return), based on ACD data.

As the Sub-fund CF Heartwood Defensive Multi Asset Fund has recently launched, no past performance information is currently available.

Please note: the source for performance data has recently been changed. This change may have resulted in variations from previously published performance figures. These variations are deemed to be insignificant both individually and cumulatively.

Investor profile

The Company and each of the Sub-funds are marketable to all eligible investors provided they can meet the minimum subscription levels. The Sub-funds may be suitable for investors who see collective investment schemes as a convenient way of participating in investment markets. They may be suitable for investors wishing to achieve defined investment objectives. Such investors must have experience with, or understand, products where the capital is at risk. Investors must be able to accept some risk to their capital, thus the Sub-funds may be suitable for investors who are looking to set aside the capital for at least 5 years. If you are uncertain whether these products are suitable for you, please contact a professional adviser.

CF Heartwood Cautious Multi Asset Fund may be suitable for those investors wanting to achieve a combination of income and capital growth through a diversified portfolio of collective investment schemes, securities, fixed income assets, warrants, money market instruments, deposits, cash, near cash and derivatives for efficient portfolio management.

CF Heartwood Balanced Multi Asset Fund may be suitable for those investors wanting to achieve a combination of income and capital growth through a diversified portfolio of collective investment schemes, securities, fixed income assets, warrants, money market instruments, deposits, cash, near cash and derivatives for efficient portfolio management.

CF Heartwood Growth Multi Asset Fund may be suitable for those investors wanting to achieve capital growth through a diversified portfolio of collective investment schemes, securities, fixed income assets, warrants, money market instruments, deposits, cash, near cash and derivatives for efficient portfolio management.

CF Heartwood Defensive Multi Asset Fund may be suitable for those investors requiring an investment which is managed with an emphasis on the preservation of capital through a diversified portfolio of collective investment schemes, securities, fixed income assets, warrants, money market instruments, deposits, cash, near cash and derivatives for efficient portfolio management.

CF Heartwood Cautious Income Multi Asset Fund may be suitable for those investors wanting to achieve capital growth and a higher than average level of income through a diversified portfolio of collective investment schemes, securities, fixed income assets, warrants, money market instruments, deposits, cash, near cash and derivatives for efficient portfolio management.

CF Heartwood Balanced Income Multi Asset Fund may be suitable for those investors wanting to achieve capital growth and a higher than average level of income through a diversified portfolio of collective investment schemes, securities, fixed income assets, warrants, money market instruments, deposits, cash, near cash and derivatives for efficient portfolio management.

Appendix 6

Directory

The Company and Head Office:

CF Heartwood Multi Asset Funds
Ibex House
42 – 47 Minories
London
EC3N 1DX

Authorised Corporate Director:

Capita Financial Managers Limited
Ibex House
42 – 47 Minories
London
EC3N 1DX

Depository:

BNY Mellon Trust & Depositary (UK) Limited
The Bank of New York Mellon Centre
160 Queen Victoria Street
London
EC4V 4LA

Investment Manager:

Heartwood Wealth Management Limited
12 Henrietta Street
Covent Garden
London
WC2E 8LH

Registrar:

Capita Financial Administrators Limited
2 The Boulevard
City West One Office Park
Leeds
LS12 6NT

Auditors:

KPMG Audit PLC
1 The Embankment
Neville Street
Leeds LS1 4DW