

PROSPECTUS OF TC SOUTH RIVERGOLD AND PRECIOUS METALS FUND

**(AN INVESTMENT COMPANY
WITH VARIABLE CAPITAL
PRN 502259)**

This Prospectus is valid as at 07 March 2018 and has been prepared in accordance with The Open-Ended Investment Companies Regulations 2001 and the rules contained in the Collective Investment Schemes Sourcebook published by the Financial Conduct Authority as part of their Handbook of rules and guidance.

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TC SOUTH RIVERGOLD & PRECIOUS METALS FUND

THE COMPANY

TC South River Gold and Precious Metals Fund

Head Office and	Bow House
Principal Place of Business:	1a Bow Lane
	London
	EC4M 9EE

AUTHORISED CORPORATE DIRECTOR ('ACD')

Treasury Capital Fund Solutions Limited

Head Office and	Bow House
Registered Office:	1a Bow Lane
	London
	EC4M 9EE

DEPOSITARY

Société Générale, London Branch
London Branch
SG House,
41 Tower Hill
London
EC3N 4SG

INVESTMENT MANAGER

South River Asset Management Limited

Head Office:	New Liverpool House
	15 Eldon Street
	London EC2M 7LD

AUDITOR

Deloitte LLP
Saltire Court
20 Castle Terrace
Edinburgh, EH1 2DB

REGISTRAR AND TRANSFER AGENCY

FNZ Transfer Agency Services
Level 5
67 Lombard Street
London
EC3V 9LJ

FUND ACCOUNTANT

Société Générale, London Branch

London Branch
SG House,
41 Tower Hill
London
EC3N 4SG

DEFINITIONS

ACCUMULATION SHARES	Shares (of whatever class) in the Company as may be in issue from time to time in respect of which income allocated thereto is retained on behalf of the Shareholders of such Shares by being periodically credited to capital pursuant to the FCA Rules.
ACD	Treasury Capital Fund Solutions Limited which acts as the authorised corporate director of the Company.
ACD AGREEMENT	The agreement between ACD and the Company dated 22 July 2009 appointing the ACD.
AUDITOR	Deloitte LLP
AUTHORISATION ORDER	The Order made by the FCA in relation to the Company under regulation 14 of the OEIC Regulations.
BUSINESS DAY	A day (other than a Saturday or Sunday) on which the banks are generally open for business in London.
COMPANY	TC South River Gold and Precious Metals Fund.
DEALING DAY	Any day on which the ACD is open for business, normally Monday to Friday each week between 8.00 am and 6.00 pm (exceptions will include Bank and Public Holidays and may include part of the Business Day before these holidays).
DEPOSITARY	Société Générale, London Branch (London Branch) which acts as the Depositary of the Company. .
FCA	The Financial Conduct Authority, previously the Financial Services Authority (FSA) of 25 The North Colonnade, Canary Wharf, London E14 5HS, or any successor.
FCA RULES	The rules contained in the Collective Investment Schemes Sourcebook (or COLL) published by the FCA from time to time as part of their Handbook of rules made under the Act and which shall, for the avoidance of doubt, not include guidance or evidential requirements contained in the said sourcebook.
FUND ACCOUNTANT	Société Générale, London Branch (London Branch)
GROSS ACCUMULATION SHARES	Accumulation Shares which are Gross Paying Shares

GROSS INCOME SHARES	Income Shares which are Gross Paying Shares
GROSS PAYING SHARES	Shares (of whatever class) in the Company as may be in issue from time to time and in respect of which income allocated thereto is credited periodically to capital (in the case of Accumulation Shares) or distributed periodically to the holders thereof (in the case of Income Shares) in either case in accordance with relevant tax law without any tax being deducted or accounted for by the Company.
INCOME SHARES	Shares (of whatever class) in the Company as may be in issue from time to time in respect of which income allocated thereto is distributed periodically to the holders thereof pursuant to the FCA Rules.
INSTRUMENT OF INCORPORATION	The Instrument Of Incorporation of the Company as amended or updated from time to time.
INVESTMENT MANAGER	South River Asset Management Limited.
IPA SHARES	Shares available to Individual Pension Accounts only.
NET ACCUMULATION SHARES	Accumulation Shares which are Net Paying Shares
NET INCOME SHARES	Income Shares which are Net Paying Shares.
NET PAYING SHARES	Shares (of whatever class) in the Company as may be in issue from time to time and in respect of which income allocated thereto is credited periodically to capital (in the case of Accumulation Shares) or distributed periodically to holders thereof (in the case of Income Shares) in either case in accordance with relevant tax law net of any tax deducted or accounted for by the Company.
OEIC REGULATIONS	The Open-Ended Investment Companies Regulations 2001 (SI 2001/1228), as amended.
PROSPECTUS	This Prospectus, including the schedules hereto.
REGISTRAR AND TRANSFER AGENCY	FNZ Transfer Agency Services
REGULATIONS	The OEIC Regulations and the FCA Rules.
SHARE OR SHARES	A Share or Shares in the Company.
SHAREHOLDER	A holder of Shares in the Company.
SDRT	Stamp duty reserve tax.

UCITS DIRECTIVE	The Council Directive of 20 December 1985 on the coordination of laws, Regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (No. 85/611/EEC), as amended.
UK	United Kingdom of Great Britain and Northern Ireland.
VALUATION POINT	12 noon on a Dealing Day. On days where the London Stock Exchange is only open for half a day (usually the Business Day before Christmas Day and New Year's Day), with the agreement of the Depositary, the ACD may decide to move the Valuation Point forward 2 hours to 10am, or any such other time as the ACD may agree with the Depositary. In such circumstances, the ACD will disclose this change for at least 4 weeks beforehand on their website (www.tcfundsolutions.com).

THE COMPANY

The TC South River Gold and Precious Metals Fund (previously called TC Peterhouse Gold and Precious Metals Fund) is an open-ended investment company with variable share capital. The Company is authorised in the United Kingdom by the FCA pursuant to Regulation 14 of the OEIC Regulations with number IC000768. The effective date of the Authorisation Order made by the FCA was 22 July 2009.

The minimum Share capital of the Company shall be £1 and the maximum Share capital shall be £100,000,000,000. The base currency for the Company is pounds sterling. The Shareholders are not liable for the debts of the Company.

The Company is a “UCITS Scheme”, as defined in the FCA Rules.

The Company will not have any interest in any immovable property or tangible movable property.

The address in the United Kingdom for service on the Company of notices or other documents required or authorised to be served on the Company is Bow House, 1a Bow Lane, London, EC4M 9EE.

Profile of a Typical Investor

The Company is available to a wide range of investors who see a collective investment scheme as a convenient and cost effective way of managing the overall risks and volatility associated with participation in an investment portfolio managed in accordance with the Company’s specific investment objective and policy. The Company is aimed at investors who can commit their capital for the medium to longer term. Investors are advised to consult an appropriately qualified financial adviser in respect of any investment decision.

AUTHORISED CORPORATE DIRECTOR (ACD)

The ACD is Treasury Capital Fund Solutions Limited, a private company incorporated with limited liability in England under the Companies Act 1985. Its registered office and head office are situated at Bow House, 1a Bow Lane, London, EC4M 9EE. It was incorporated on 5 August 2003. It has an issued and fully paid-up share capital of £10,000.

The ultimate holding company of Treasury Capital Fund Solutions Limited is EQT Treasury Capital Limited which is incorporated in England.

The ACD is authorised and regulated to carry on regulated activities in the United Kingdom by virtue of its authorisation by the FCA.

The ACD also acts as Authorised Corporate Director to the TC Delmore Investment Funds and the TC Portfolio ICVC

The directors of Treasury Capital Fund Solutions Limited, as at the date of this Prospectus, are:

- James Gardner
- Leanne Isaacs
- Kevin Lavery
- Harvey Kalman

ACD Agreement

The ACD has been appointed under the ACD Agreement. Pursuant to the ACD Agreement, the ACD shall manage and administer the Company in accordance with the Regulations, the Instrument Of Incorporation and the Prospectus. The ACD Agreement contains detailed provisions relating to the responsibilities of the ACD, including the management, investment and reinvestment of the property of the Company in order to achieve the investment objective. A copy of the ACD Agreement will be provided to a Shareholder on request.

The ACD is entitled to receive Preliminary and Periodic Charges and the Establishment Fee as set out in the section of this Prospectus headed “Charges”.

The ACD Agreement may be terminated by the Company in a general meeting at any time. The ACD shall not voluntarily terminate its appointment unless the termination is coterminous with the commencement of the appointment of a successor authorised corporate director of the Company.

The appointment of the ACD shall also be terminated forthwith by written notice of the Company to the ACD if the ACD goes into or takes any steps to initiate liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Depositary) or is unable to pay its debts, or a receiver is appointed of any of the assets of the ACD or an administration order is obtained for or in respect of the ACD.

The appointment of the ACD shall also be terminated forthwith by written notice of either party if the other party commits any material breach of the ACD Agreement and (if such breach is capable of remedy) fails within 30 days of receipt of notice served by the non-defaulting party requiring it to do so to make good such breach, provided that such breach is continuing.

Subject to the Regulations and except insofar as the same may result from the negligence, wilful default or fraud of the ACD, any delegate, or its or their employees, officers or directors, the Company has agreed to indemnify the ACD, its delegates and its and their employees, officers and directors against all costs, losses claims and expenses either (i) as a result of any party claiming to be entitled to any investment or other asset of the Company or (ii) in consequence of any breach by the Company of any term of the ACD Agreement (iii) arising out of or in connection with the exercise by the ACD of the powers and discretions conferred upon it under the ACD Agreement (iv) arising out of the imposition of any liability to taxation, charge or other levy as a result implementing the investment objective and policy of the Company or (v) in consequence of any act or omission of the ACD acting on the instructions from the Depositary.

Under the ACD Agreement, the ACD may delegate any of its functions under the agreement to any associate (as defined in the FCA’s Handbook of rules and guidance) or any other person selected by it and may provide information about the Company and its investments to any of its delegates.

In accordance with these provisions, the ACD has delegated various of its duties as follows:

1. to Investment Manager, the duty of providing investment advice and discretionary investment management in relation to the Company (for further details, see below under (“The Investment Manager”); and
2. to FNZ Transfer Agency Services, the duty of providing administration and Registrar services to the ACD in relation to the Company.

THE INVESTMENT MANAGER

The Investment Manager is South River Asset Management Limited, a company authorised and regulated by the FCA. The Investment Manager's principal activity is the provision of investment management and advisory services.

The ACD has delegated to the Investment Manager the duty of providing investment advice and discretionary investment management in respect of the Company.

The Investment Manager may, from time to time, procure the services of other persons to provide it with investment advice and other services to assist it with its duties in respect of the Company. The charges of such persons will be paid by the Investment Manager and not out of the scheme property of the Company.

Investment Management Agreement

Under the terms of an agreement between the ACD and the Investment Manager dated 08 January 2017 (the “Investment Management Agreement”), the Investment Manager has the authority of the ACD and the Company to exercise discretionary management powers in respect of the Company in accordance with its investment objective, including the power to effect such investments and reinvestments on behalf of the Company as it considers appropriate.

The Investment Manager will be entitled to receive remuneration from the ACD paid out of the fees the ACD receives from the Company. The Investment Manager will not receive any other fees directly from the Company, save with the approval of Shareholders.

The Investment Management Agreement may be terminated on not less than six months' written notice at any time after the first anniversary of the Investment Management Agreement or by the Company in a general meeting at any time, or immediately by the ACD if this is in the interests of investors.

Under the Investment Management Agreement, the ACD and the Investment Manager have agreed to indemnify each other against certain claims, losses, penalties or charges incurred in connection with the Investment Management Agreement or any transaction authorised under it. The total aggregate liability one party may have to the other under these indemnities in respect of each event or series of events is limited to ten times the ACD's “annual fee”, defined as the ACD's retained earnings in respect of the Company for the most recent month of operations multiplied by twelve.

THE DEPOSITARY

Société Générale, London Branch (London Branch) is the Depositary of the Company.

The Company's Depositary is Société Générale London Branch. The Depositary's parent company is Société Générale, a company incorporated in France and acting through its London Branch registered in England on 3 December 2001 under number BR 000021 whose address is SG House, 41 Tower Hill, London, EC3N 4SG. The principal business activity of the Depositary is the provision of financial services including depositary and trustee services. The Depositary is authorised by the Prudential Regulation Authority and regulated by both the Financial Conduct Authority and the Prudential Regulation Authority. The ultimate holding company of the Depositary is Société Générale, 29 Boulevard Haussman, 75009 Paris, France, which is incorporated in France.

Duties of the Depositary:

The Depositary is responsible for the safekeeping of the Scheme Property, monitoring the cash flows of the Company and must ensure that certain processes carried out by the ACD are performed in accordance with applicable laws, rules and regulations.

Conflicts of Interest:

In the course of performing its duties, the following conflicts of interest may arise between the ACD, the Company, investors and the Depositary:

- Conflicts of interest may arise if and when the ACD or the Company maintains other business relationships with Société Générale, London Branch (London Branch) in parallel with the appointment of Société Générale, London Branch (London Branch) as depositary of the Company. For example, Société Générale, London Branch (London Branch) may also provide the Company or the ACD with fund administration services including net asset value calculations.

Where such conflicts of interests cannot be avoided, the ACD and the Depositary will manage and monitor them in order to prevent adverse effects on the interests of the Company and investors.

In order to address situations of conflicts of interest, the Depositary has implemented and maintains a conflicts of interest policy, aimed at:

- identifying and analysing potential situations of conflicts of interest;
- recording, managing and monitoring the conflict of interest situations either by:
 - o relying on the permanent measures in place to address conflicts of interest such as segregation of duties, separation of reporting lines, insider lists for staff members;
 - o implementing a case-by-case approach to (i) take the appropriate preventive measures such as implementing new information barriers, making sure that relevant operations are separate and/or informing the client concerned, or (ii) refrain from carrying out the activity giving rise to the conflict of interest.

Delegation of Safekeeping Functions:

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

The Depositary has not delegated safekeeping of the Scheme Property. However, the Depositary has delegated the custody of assets in certain markets in which the Company may invest to various delegates ("Sub-custodians"). A list of Sub-custodians is given in Appendix 2. Investors should note that the list of Sub-custodians is updated only at each Prospectus review.

Updated Information:

Up-to-date information regarding the Depositary, its duties, its conflicts of interest and the delegation of its safekeeping functions will be made available to unitholders on request.

Terms of Appointment:

The Company is required to enter into a written contract with the Depositary to evidence its appointment. The Depositary was appointed under an agreement dated 23 March 2016 (the “Depositary Agreement”).

The Depositary Agreement may be terminated by not less than six months’ written notice or immediately in certain circumstances as set out in the Depositary Agreement. A notice of termination shall not take effect until the appointment of a successor as depositary. Where a replacement depositary is not appointed within nine months of the notice of termination, the Depositary may request the ACD to make an application to the FCA for the winding up of the Company.

If any financial instruments held by the Depositary for the Company are lost (as defined under UCITS V), the Depositary must return assets of an identical type or to pay to the Company a corresponding amount to the lost financial instruments, unless the loss arose as a result of an external event which meets the conditions set out in UCITS V. Otherwise, the Depositary is liable for its negligence, intentional failure or fraud, subject to the terms and exclusions set out in the Depositary Agreement.

Under the Depositary Agreement, the Company will indemnify the Depositary (and its branches, subsidiaries, officers, employees and directors) against all claims, losses, liabilities, damages, judgments, costs, fees and expenses (including properly incurred legal fees and expenses) suffered or incurred by the Depositary arising from or in connection the performance of its obligations, except in the case of any liability arising from the negligence or intentional default of the Depositary or loss of financial instruments as described above.

Investors have no personal right to directly enforce any rights or obligations under the Depositary Agreement.

The remuneration of the Depositary is set out in Section “Depositary’s Remuneration and Expenses” of this Prospectus.

THE AUDITOR

The Auditor of the Company is Deloitte LLP, Saltire Court, 20 Castle Terrace, Edinburgh, EH21 2DB.

THE REGISTRAR

The register of holders (the “**Register**”) of the Company is kept by FNZ Transfer Agency Services, Level 5, 67 Lombard Street, London, EC3V 9LJ and may be inspected at that address during ordinary office hours by any Shareholder or Shareholder's duly authorised agent.

THE FUND ACCOUNTANT

The Company’s Administrator is Société Générale, London Branch. The Administrator was incorporated in France as a Société Anonyme on 07/10/1955, and registered as a branch in England and Wales 01/01/1993 (UK Establishment Number BR000021), and its primary place of business within the United Kingdom is SG House, 41 Tower Hill, London EC3N 4SG. The Administrator undertakes fund accounting and pricing functions on behalf of the company.

The Fund Accountant provides fund administration services to the ACD.

INVESTMENT OBJECTIVE & POLICY

The investment objective of the Company is to achieve capital growth.

The Company will seek to achieve its objective of capital growth primarily through investment in equity securities that have direct underlying Gold and/or precious metals exposure or through companies worldwide whose core business is involved in the mining, refining, production and marketing of Gold and/or precious metals. The Company may also invest in other transferable securities, approved money market instruments, government and public securities, deposits, cash and near cash. The Fund has the ability to invest in collective investment schemes up to a maximum of 10% of NAV. The Fund will not invest in derivatives.

In pursuing the investment objective and policy, the assets of the Company will be invested so as to comply with the investment and borrowing powers and restrictions set out in the Regulations, the Instrument Of Incorporation, and this Prospectus. A summary of the investment powers and safeguards applicable to the Company is set out in Appendix 1.

HISTORICAL PERFORMANCE

Historical Performance

Please find below a table of past performance for the Company. Please note that past performance should not be seen as an indication of future performance, nor does this constitute a projection of future performance.

	% Growth Jan 13-Dec 13	% Growth Jan 14-Dec 14	% Growth Jan 15-Dec 15	% Growth Jan 16-Dec 16	% Growth Jan 17-Dec 17
The TC South River Gold and Precious Metals Fund A	-49.3%	-26.0%	-28.6%	87.7%	5.46%

Performance figures shown are on a single priced basis including income re-invested and any charges levied on the fund, except any initial charge which may apply.

The Company was launched on 7 September 2009. Please note that this information is up to date as of 31 December 2017

If you require up to date performance data, please contact the ACD on 0203 405 3080.

INDIVIDUAL SAVINGS ACCOUNTS ("ISAs") & JUNIOR INDIVIDUAL SAVINGS ACCOUNTS ("JISAs")

In accordance with the Individual Savings Account Regulations 1998, as amended from time to time, Shares in the Company are eligible for investment through ISAs.

Shares in the Company are also eligible for investment through JISAs.

ALLOCATION OF INCOME

The Company's annual accounting period ends on 31st August in each year, with an interim accounting period ending on 28th February (or 29th February on a leap year). References to the above dates and the dates of income allocation periods and of publication of the yearly and half yearly report of the Company should be read accordingly.

The annual income allocation in respect of Shares held on the preceding 31st August will be made on the 31st October. An interim income allocation in respect of Shares held on the preceding 28th February (or 29th February on a leap year) will be made on 30th April.

Holders of Accumulation Shares are not entitled to be paid the income attributable to such Shares but the income is automatically transferred to (and retained as part of) the capital assets of the Company on or before the last day of the relevant annual accounting period or interim accounting period. The price of such Shares continues to reflect this retention of the income entitlement.

HOW INCOME IS DETERMINED

The income available for accumulation is determined in accordance with the FCA Rules. In general terms, the income comprises all the sums deemed by the Company, after consultation with the Auditors of the Company, to be income in nature and received or receivable by the Company in respect of the accounting period concerned, after deducting charges and expenses paid or payable out of such income and after making such adjustments in relation to taxation and other matters.

The Periodic Charges (see “CHARGES” below) will normally be paid out of the accumulated income of the Company and only paid out of capital property to the extent that such accumulated income is insufficient to pay such charges. Any deductions from the capital property of the Company may result in capital erosion or constrain capital growth.

In the case of the Accumulation Shares, the income available for allocation in respect of the relevant accounting period will be transferred from the income property of the Company to the capital property of the Company on or before the last day of the relevant accounting period. No distributions are made to Shareholders nor are additional Shares issued in lieu of distributions. The amount of income earned by the Company since the end of the last annual accounting period (or the end of the last interim accounting period if more recent is reflected in the price of the Accumulation Shares. The price of Shares therefore remains unchanged at the ex-accumulation date. Shareholders will nonetheless be liable to United Kingdom taxation in the same manner, and to the same extent, as if the income accumulated for their benefit had instead been distributed to them.

CHARACTERISTICS OF SHARES

Classes of Shares

Currently the Company will only issue Net Accumulation Shares.

Any income (net of tax) arising in relation to an Accumulation Share will be determined and credited to capital as summarised above under the headings “**HOW INCOME IS DETERMINED**” and “**ALLOCATION OF INCOME**”.

Minimum Initial Investment

The minimum initial investment in the Company is £500. The minimum amount required for any subsequent investment is £50.

Types of Shares

Net Accumulation Shares

At the date hereof, there is a single type of Share in issue for the Company, namely Net Accumulation Shares, in respect of which income allocated thereto is credited periodically to capital pursuant to the FCA Rules net of any tax deducted or accounted for by the Company.

There are two share Classes in issue:

- A Net Accumulation Shares; and
- B Net Accumulation Shares

Bearer Shares

The Company will not issue bearer Shares.

Title to Shares

The title to Shares is evidenced by entries on the Register of Shareholders. Certificates for Shares will not be issued.

Prices of Shares

Shares in the Company are “single priced”. This means that subject to the preliminary charge, redemption charge and any applicable dilution adjustment, the price of a Share for both buying and selling purposes will be the same and determined by reference to a particular Valuation Point.

VOTING RIGHTS

The Company does not hold Annual General Meetings. The Company shall hold an Extraordinary General Meeting as is required. Certain changes to this Prospectus or the Instrument Of Incorporation require the prior approval of a meeting of Shareholders, in accordance with the FCA Rules. When such approval is not required by the FCA Rules, the ACD may make changes to the Prospectus or the Instrument Of Incorporation without the approval of Shareholders.

In certain circumstances, the FCA Rules require that a resolution be passed as an extraordinary resolution, which is a resolution passed by a majority of not less than three-quarters of the votes validly cast (whether on a show of hands or on a poll) for and against the resolution. In other cases, a resolution may be passed by a simple majority of the votes validly cast for and against the resolution.

At any meeting of Shareholders a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before the declaration of the result of the show of hands) demanded by the Chairman, by the Depositary or by at least two Shareholders present in person or by proxy (or, in the case of a body corporate, by a duly authorised representative).

On a show of hands every Shareholder who (being an individual) is present in person or by proxy shall have one vote.

On a poll every Shareholder who is present in person or by proxy shall have one vote for every Share of which he is a holder.

The quorum at a meeting of Shareholders shall be two Shareholders present in person or by proxy (or, in the case of a body corporate, by a duly authorised representative), who were Shareholders on the date seven days before the date of the notice of the meeting (notice of which is to be served fourteen days, inclusive of the day on which the notice is deemed to be served, before the date of the meeting as stated in the notice), excluding from that total any Shares known to have redeemed before the time of the meeting.

A corporation being a Shareholder may authorise such person as it thinks fit to act as its representative at any meeting of Shareholders and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as the corporation could exercise if it were an individual Shareholder.

The ACD shall be entitled to receive notice of, and attend, any such meeting but shall not be entitled to vote or be counted in the quorum, therefore and accordingly, the Shares held or deemed to be held by the ACD shall not be regarded as being in issue.

Any associate of the ACD shall not be entitled to vote at any such meeting except in respect of Shares which he holds on behalf of a person who, if himself the registered holder, would be entitled to vote, and from whom he has received voting instructions.

In the case of joint Shareholders the vote of the senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint Shareholders and for this purpose seniority shall be determined by the order in which the names stand in the Register of Shareholders.

Any notice or document to be served on Shareholders in relation to their meeting or voting rights, will be sent by post to the address on the register.

VALUATION

The property of the Company is valued daily at 12 noon on each Business Day in order to determine the single price at which Shares may be purchased from, or redeemed by, the ACD and created or cancelled by the Company. On days where the London Stock Exchange is only open for half a day (usually the Business Day before Christmas Day and New Year's Day), with the agreement of the Depositary, the ACD may decide to move the Valuation Point forward 2 hours to 10am, or any such other time as the ACD may agree with the Depositary. In such circumstances, the ACD will disclose this change for at least 4 weeks beforehand on their website (www.tcfundsolutions.com).

The ACD reserves the right to revalue the property of the Company at its discretion.

An outline of the basis on which the property of the Company is valued is as follows:-

- Transferable securities, money market instruments, collective investment schemes, exchange traded derivative contracts and other investments are valued at their quoted price or if the investment is one for which different prices are quoted according to whether it is being bought or sold then it will be valued at its mid-market price (including, in the case of dual-priced collective investment schemes, certain adjustments to take account of relevant initial and redemption charges).
- Any fiscal charges or commissions or other charges that have been paid or are payable on the acquisition or disposal of the investments above are excluded from their value.
- Cash is valued at its nominal value.
- Any other property of the Company will be valued at what, in the opinion of the ACD, represents a fair and reasonable mid-market price.
- Deductions are made for anticipated tax liabilities and for an estimated amount in respect of other liabilities payable out of the Company.
- Over-the-counter derivative contracts will be valued using a method agreed between the ACD and the Depositary.
- An amount is added in respect of estimated recoverable tax and any other amounts due to be paid into the Company.
- Currencies or values in currencies other than the base currency shall be converted at the relevant Valuation Point at a rate of exchange that is not likely to result in any material prejudice to the interests of Shareholders or potential Shareholders.

Fair Value Pricing Policy

Where the ACD considers that no reliable price exists for a security at a Valuation Point or the most recent price available does not reflect the ACD's best estimate of the value of a security at the Valuation Point, the ACD may value an investment at a price that in its opinion reflects a fair and reasonable price for that investment (the fair value price). The circumstances which may prompt the ACD to apply fair value prices may include, but are not limited to, no recent transaction in the security concerned, the suspension of dealings in a collective investment scheme or the occurrence of a significant event since the most recent market closure or the Valuation Point at which one or more of the underlying funds or investments is valued.

The ACD may adjust values for individual securities, sectors, geographic areas or units in collective investment schemes. Adjustment for sectors, geographic areas or units in collective investment schemes will be based upon the percentage movement in a benchmark index or composite index or part thereof, one or more exchange traded funds or such other publicly available comparator which the ACD believes is correlated to part or the whole of the Company's value. The ACD will determine the threshold at which any adjustment will be applied.

CHARGES

Preliminary Charge

The ACD is permitted to make a preliminary charge on the sale or issue of Shares to an investor. The current rates of this charge are:

A Net Accumulation Shares 3%

B Net Accumulation Shares 0%

The charge is calculated prior to the deduction of any Dilution Adjustment and is deducted from the investor's gross subscription before any Shares are purchased.

The preliminary charge does not form part of the property of the Company and no account is taken of the preliminary charge in calculating the NAV of the Company (whether for the calculation of the periodic charge or otherwise).

An investor who realises their Shares after a short period may not (even in the absence of a fall in the value of the property of the Company) realise the original amount invested. Therefore, the Shares should be viewed as a long term investment.

The ACD may not increase the preliminary charge unless it has given not less than 60 days' written notice to anyone who has made arrangements to purchase Shares from the ACD on a regular basis through a savings plan operated by the ACD and the ACD has revised this Prospectus to reflect the new charges.

The ACD may decide to offer a temporary promotional reduced rate of Preliminary charge to all investors in the A Net Accumulation Shares, returning to the full amount of 3% thereafter. As at the date of this Prospectus there is a reduction to 1%, on a rolling monthly basis on the A Net Accumulation Shares. Details of the current promotional rate will be shown on the fund fact sheets, available on www.tcfundsolutions.com, or direct from the Investment Manager.

Periodic Charges

The ACD is permitted to make a periodic charge which shall be paid out of the property of the Company consisting of a fixed fee of £3,750 per calendar quarter, payable monthly in arrears plus for:-

A Net Accumulation Shares a variable fee, currently charged at the annual rate of 1.5% of the relevant proportion of the value of the scheme property at the end of the relevant month, payable monthly in arrears; and

B Net Accumulation Shares a variable annual fee of 1% of the relevant proportion of the value of the scheme property at the end of the relevant month, payable monthly in arrears.

The variable fees are applied to the relevant proportion of the value of the property of the Company, multiplied by the number of days in the period covered by the charge and divided by 365 (or 366 in the case of a leap year).

The Periodic Charge will be charged by the ACD, in the first instance, to the income of the Company. A deduction from the capital property of the Company may constrain capital growth. The maximum annual charge permitted is £15,000 plus 2% of the relevant proportion of the value of the scheme property for the A Net Accumulation Shares and 1% of the relevant proportion of the value of the scheme property for the B Net Accumulation Shares.

Changes to Periodic Charges

The ACD may not increase the current rate of the periodic charge unless it has: (a) given not less than 60 days' notice of such increase to all Shareholders and investors entered in plan registers maintained by the ACD for any individual savings account or group savings plan in which Shares are held; and (b) revised this Prospectus to reflect the new charges.

Dilution Adjustment

The actual cost of purchasing, selling or switching assets and investments in the Funds 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 that Fund's underlying investments. These costs could have an adverse effect on the value of a Fund, known as "dilution". In order to mitigate the effect of dilution the Regulations allow the ACD to adjust the sale and purchase price of Shares in the Funds to take into account the possible effects of dilution. This practise is known as making a "dilution adjustment" or operating swinging single pricing. The power to make a dilution adjustment may only be exercised for the purpose of reducing dilution in the Funds.

In particular, dilution adjustment may be applied in the following circumstances:

- where the net creations or cancellation of Shares exceeds 2.00% of the Net Asset Value
- (excluding any dilution adjustment), on a Dealing Day (The ACD reserves the right to review the dilution adjustment threshold without prior notification, for the purpose of ensuring that the threshold does not have the effect of materially prejudicing existing shareholders.);
- to reflect the expanding or contracting trend of a Fund; or
- at any other time the ACD considers that the non-application of the dilution adjustment will materially affect the interests of Shareholders.

The ACD reserves the right to make a dilution adjustment every day. The dilution adjustment is calculated using the estimated dealing costs of a Fund's underlying investments and taking into consideration any dealing spreads, commission and transfer taxes. The price of each Class of Share in each Fund will be calculated separately but any dilution adjustment will in percentage terms affect the price of Shares of each Class identically.

Where a Fund is experiencing net acquisitions of its Shares the dilution adjustment would increase the price of Shares above their mid-market value. Where a Fund is experiencing net redemptions the dilution adjustment would decrease the price of Shares to below their mid-market value.

The dilution adjustment will be applied to the mid price for the Shares resulting in a figure calculated up to six decimal places. The final digit in this figure will then be rounded either up or down in accordance with standard mathematical principles resulting in the final price for the Shares. Should a dilution adjustment be required, the ACD estimates that the estimated rate of dilution will typically fall in the range from 0.05% to 0.30% when buying or selling Shares.

In the event that a dilution adjustment is made it will be applied to all transactions in a Fund during the relevant measurement period and all transactions during the relevant measurement period will be dealt on the same price inclusive of the dilution adjustment.

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

On the occasions when a dilution adjustment is not applied if a Fund is experiencing net acquisitions of Shares or net redemptions there may be an adverse impact on the assets of that Fund attributable to each underlying Share, although the ACD does not consider this to be likely to be material in relation to the potential future growth in value of a Share.

The dilution adjustment for any one Fund, may vary over time because the dilution adjustment for each Fund will be calculated by reference to the costs of dealing in the underlying investments of that Fund, including any dealing spreads, and these can vary with market conditions.

It is not possible to accurately predict whether dilution adjustment will be applied in the future. However, for illustrative purposes, if the ACD had been using the dilution adjustment single pricing model over the 12 month period to 30 June 2017, it is estimated that a dilution adjustment would been made on one occasion.

Redemption Charge

The ACD will not make a charge for redemptions and cancellations of Shares.

Expenses of the ACD

The Company will also pay to the ACD out of the scheme property any expenses incurred by the ACD or its delegates of the kinds described below under "Other payments out of the property of the Company", including legal and professional expenses of the ACD and its delegates in relation to the proper performance of the ACD's duties under the ACD Agreement, or related to documents amending the ACD Agreement, all expenses incurred in preparing valuations of scheme property and publishing prices of Shares, all postage and communication costs incurred in the proper performance of duties under the ACD Agreement, and all expenses incurred in producing and distributing any Prospectus, including the Key Investor Information Document (KIID) and expenses of the ACD in buying or selling Shares (but excluding any commissions or similar payments as the Company is prohibited from making any such payments under the FCA Rules).

Fees of the Registrar

The Registrar is entitled to receive out of the Scheme Property by way of remuneration a periodic charge, which will be accrued daily and paid monthly as soon as practicable after the end of each month. The rate of the Registrars periodic charge in respect of each Fund will be such rate or rates as agreed from time to time between the ACD and the Registrar.

The current rate of the Registrars periodic charge (expressed as a percentage per annum of the Net Asset Value of each Fund and subject to a minimum charge) is set out below.

Periodic Charge	Minimum Charge
0.05%	£5,000.00 per annum per fund where a fund operates with two Share Classes or less. Where additional share classes are in operation, the Minimum Charge will be increased by £1,000.00 per annum for each additional Share Class in operation.

Fees for the services of establishing and maintaining the Register and any plan registers, and any associated expenses, will always be payable by the Company, whether those services are provided by the Registrar, its associates or any other person.

The Registrar will additionally seek to recover all reasonable disbursement costs incurred as a result of the proper execution of its duties. These costs would include, but would not be restricted to, postage, printing, telephone, fax and stationery.

Fees for the Fund Administration

The ACD is entitled to receive out of the scheme property fees for its Fund Administration services monthly in arrears at the annual percentage rate of 0.25% of the value of the scheme property, subject to a minimum fee of £1,500 per month to be taken monthly in arrears, though they will be accrued on a daily basis.

The ACD will pay the Fund Accountants out of this administration fee.

DEPOSITARY'S REMUNERATION AND EXPENSES

The Depositary is entitled to receive for its own account from the Company a periodic fee which accrues and is payable out of the property of the Fund monthly in arrears at an annual percentage rate between 0.01 - 0.015% of the value of the scheme property of the Fund. This is applied to the value of the property of the Fund, multiplied by the number of days in the period covered by the charge and divided by 365 (or 366 in the case of a leap year).

This is subject to a minimum annual payment of £17,500.

The amount or rate of any of the Depositary's fees and charges including those referred to above shall (unless otherwise stated) be determined by reference to the scale or tariff or such other basis from time to time agreed between the ACD and the Depositary, in accordance with the FCA Rules, and notified to the ACD by the Depositary. The current rate of such periodic fee must not be increased unless the ACD has: (a) given not less than 60 days' notice of such increase to all Shareholders and investors entered in plan registers maintained by the ACD for any individual savings account or group savings plan in which Shares are held; and (b) revised this Prospectus to reflect the new charges. The ACD will not delay the required notification and prospectus updates without cause.

The Depositary shall be entitled to recover its fees, charges and expenses when the relevant transaction or other dealing is effected or relevant service is provided or as may otherwise be agreed between the Depositary and the Company or the ACD.

On a winding up of the Company, the Depositary will be entitled to its pro rata fees, charges and expenses to the date of the commencement of the winding up and any additional expenses necessarily realised in settling or receiving any outstanding obligations. No compensation for loss of office is provided for in the Depositary Agreement.

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

OTHER PAYMENTS OUT OF THE PROPERTY OF THE COMPANY

In accordance with the Regulations, the following payments may lawfully be made out of the property of the Company:-

- (a) Broker's commission, fiscal charges and other disbursements which it is necessary to incur in effecting transactions for the Company and which are normally shown in contract notes, confirmation notes and difference accounts, as appropriate.
- (b) Interest on borrowings permitted under the FCA Rules and charges incurred in effecting or terminating such borrowings or in negotiating or varying the terms of such borrowings.
- (c) Taxation and duties payable in respect of the property of the Company or in respect of the issue of Shares, including stamp duties or other taxes or duties in relation to the transfer to the Company of assets acquired in exchange for the issue of Shares.
- (d) Any costs incurred in modifying the Instrument Of Incorporation, including costs incurred in respect of meetings of Shareholders convened for purposes which include the modification of the Instrument Of Incorporation where the modification is necessary to implement changes in the law, or necessary as a direct consequence of any change in the law, or expedient having regard to any change in the law made by, or under, any fiscal enactment and which the ACD and the Depositary agree is in the interests of Shareholders, or to remove obsolete provisions from the Instrument Of Incorporation.
- (e) Any costs incurred in respect of meetings of Shareholders in the Company, including meetings convened on a requisition by Shareholders or by the ACD.
- (f) The audit fee of the Auditors of the Company and any proper expenses of such an Auditor.
- (g) The periodical fees of the FCA in respect of the Company as may be prescribed under the Financial Services and Markets Act 2000 (as amended), or any relevant Regulations made thereunder and any payments otherwise due by virtue of the FCA Rules or the corresponding fees of any regulatory authority in a country or territory outside the United Kingdom in which Shares are or may be marketed.
- (h) The Registrar's fees.
- (i) Any costs incurred by the Company in publishing the prices of Shares, including the costs of listing the prices of Shares in publications and information services selected by the ACD.
- (j) Any expenses incurred in relation to company secretarial duties, including all costs incurred in preparing accounts and producing and despatching annual, half yearly and other reports of the Company.
- (k) Any costs incurred in producing and despatching dividends or other payments of the Company.
- (l) Any fees, expenses or disbursements of any investment, legal or other professional adviser of the Company and those of the Company's sub-advisers.

- (m) Any costs incurred in taking out and maintaining an insurance policy in respect of the ACD and the Company.
- (n) All fees and expenses incurred in relation to the addition and initial organisation of any new Share classes, the listing of Shares on any stock exchange, any offer of Shares (including the preparation and printing of any Prospectus, including the Key Investor Information Document (KIID)) and the creation, conversion and cancellation of Shares.
- (o) Any value added or similar tax relating to any charge or expense set out above.

Allocation of Assets, Charges and Expenses to the Company

All fees, duties, charges and expenses (other than any borne by the ACD) are charged to the Company. Investors should be aware that fees, duties, charges and expenses will normally be charged to the accumulated income of the Company, however if at the end of the annual accounting period there is a negative balance, capital will be transferred to cover and bring the income account to zero, this may result in capital erosion or constrain capital growth of the Shares.

BUYING AND SELLING OF SHARES

Requests for the purchase or redemption of Shares are dealt with by the issue or cancellation of such Shares by the Company.

Shares in any of the Funds may be bought or sold on any Dealing Day. Applications to buy, sell or switch Shares may be made by post or electronic means where available. Previous dealt prices will be available. Currently, transfers of title to Shares may not be effected on the authority of an electronic communication to the ACD.

Orders received and accepted by the ACD by 12 noon (the "Valuation Point") on a Dealing Day will be dealt with at the price calculated on that day. Orders received and accepted after that time will be dealt at the price calculated on the next Dealing Day. The ACD may not accept an order unless the funds required to settle the order are available to the ACD at the time the order is received.

A contract note giving details of the transaction will be issued by the Business Day following the purchase or sale. In the case of a purchase of Shares, settlement will occur on the settlement date agreed between the ACD and the purchaser, but never exceeding four Business Days. In the case of a sale, the ACD will issue settlement within four working days of the next Valuation Point after the receipt of a valid request to sell the Shares. Any request for the sale of Shares or form of renunciation must be signed by each of the holders of the relevant Shares.

Minimum Value of Holdings

The minimum initial investment for Shares in the Company is set out above in the section "Minimum Initial Investment" on page 18. The minimum amount required for any subsequent investment is £50.

In the case of a partial sale, the minimum value of Shares which may be held in the Company is £500 and will be based on the last price calculated at the Valuation Point immediately before instructions were received. In the event that a Shareholder's holding of Shares is below the minimum value of holding of Shares required, the ACD may at its discretion redeem the remaining Shares held by the Shareholder. Redemption of holdings below the minimum value of holdings will occur at least once every six months and at the ACD's discretion may occur more frequently if the ACD believes it to be in the best interests of the Company and investors.

Suspension of Dealing

The ACD may, with the prior agreement of the Depositary, or will, if the Depositary so requires at any time, temporarily suspend redemption of Shares in the Company, if the ACD, or the Depositary, is of the opinion that, due to exceptional circumstances, there is good and sufficient reason to do so having regard to the interests of the Shareholders. If the redemption of Shares is suspended, the obligations contained in Chapter 6 of the FCA Rules relating to the creation, cancellation, issue and redemption of Shares will cease to apply and the obligations relating to the valuation of Shares will be complied with only to the extent practicable in light of the suspension.

Appropriate notification of the suspension will be given to Shareholders as soon as practicable after a suspension commences. The ACD and the Depositary will review the suspension at least every 28 days and will inform the FCA of the results. The suspension will continue only for as long as it is justified having regard to the interests of the Shareholders.

During any suspension, a Shareholder may withdraw his redemption notice provided that such withdrawal is in writing and is received before determination of the suspension. Any notice not withdrawn will be dealt with on the Dealing Day next following the end of the suspension.

The first Valuation Point after the end of any such suspension period will be 12 noon on the Dealing Day next following the end of the suspension.

Pricing

The ACD deals on a forward pricing basis. A forward price is the price calculated at the next Valuation Point after receipt of a request for a purchase or sale.

The price of a Share in the Company shall be calculated by taking the proportion of the net asset value of all Shares (by reference to the most recent valuation of the scheme property) and dividing it by the number of Shares in issue immediately before the relevant Valuation Point. The price will be expressed in pounds sterling and will be expressed to four significant figures.

Publication of Prices

Prices for the Company are published daily on the ACD's website, www.tcfundsolutions.com.

Deferred Redemption

The ACD may defer redemptions at a particular Valuation Point to the next Valuation Point where requested redemptions exceed 10% of the Company's value. Requests for redemption in these circumstances will be treated on a pro rata basis to ensure the consistent treatment of all Shareholders. At the next such Valuation Point all deals relating to an earlier Valuation Point will be completed before those relating to the later Valuation Point are considered.

In Specie Redemption

If a Shareholder requests the redemption or cancellation of Shares, the ACD may at its sole discretion, if it considers the deal substantial in relation to the total size of the Company concerned, arrange for the Company to cancel the Shares and transfer property to the Shareholder instead of paying the price of the Shares in cash, or, if required by the Shareholder, pay the net proceeds of sale of the relevant scheme property to the Shareholder. A deal involving Shares representing 5% or more in value of the Company will normally be considered substantial, although the ACD may at its discretion agree an in specie redemption with a Shareholder whose selling Shares represent less than 5% in value of the Company.

Before the proceeds of cancellation of the Shares become payable, the ACD will give written notice to the Shareholder that relevant scheme property (or the proceeds of sale of that relevant scheme property) will be transferred to that Shareholder.

The ACD will select the property to be transferred (or sold) in consultation with the Depositary. They must ensure that the selection is made with a view to achieving no greater advantage or disadvantage to the redeeming Shareholder than to continuing Shareholders. Any such redemption as set out above may be subject to a retention by the Company from that property (or proceeds), for the value (or amount) of any Stamp Duty Reserve Tax to be paid on the cancellation of Shares and any relevant transaction costs.

In Specie Creation

If a Shareholder requests an in specie creation, the ACD may at its sole discretion, if it considers the deal significant in relation to the total size of the Fund concerned, arrange for the Fund to create Shares and transfer the property of the Shareholder to the Fund in exchange for Shares in the Fund. A deal involving Shares representing 20% or more in value of the Fund will normally be considered significant, although the ACD may at its discretion agree an in specie creation with a Shareholder whose buying Shares represent less than 20% in value of the Fund concerned.

The ACD will agree the property to be transferred in consultation with the Depositary. They must ensure that the agreed receiving property is made with a view to attributing no greater advantage or disadvantage to the purchasing Shareholder than to continuing Shareholders and that the incoming property conforms with the Fund objective and does not breach any investment and borrowing power rules.

Compulsory Redemption

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

- (a) constitute a breach of the law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory; or
- (b) may (or may if other Shares are acquired or held in like circumstances) result in the Company incurring any liability to taxation or suffering any other adverse consequence (including a requirement to register under any securities or investment or similar laws or governmental regulation of any country or territory)

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

GENERAL INFORMATION

Reports and Accounts

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

The Annual Report of the Company (the “long report”) will be published on or before the end of December and the half-yearly long report on or before the end of April in each year. Copies of the annual long report and half-yearly long report may be inspected at, and copies obtained free of charge from the ACD at its operating address.

Availability of Documents

Copies of the latest version of the Prospectus and any Key Investor Information Document (KIID), the Instrument Of Incorporation of the Company, any amending instrument and the most recent annual and half-yearly long reports may be inspected and obtained free of charge during normal office hours from the ACD at:-

Treasury Capital Fund Solutions Limited
Bow House
1a Bow Lane
London
EC4M 9EE

Register of Shareholders

The Register of Shareholders of the Company can be inspected during normal office hours at the Registrar's address, being:

FNZ Transfer Agency Services
Level 5
67 Lombard Street
London
EC3V 9LJ

Any notice or document required to be sent to a Shareholder will be forwarded by post to the address held on the Share register.

Genuine Diversity of Ownership

Shares in the Funds are and will continue to be widely available. The intended categories of investors are retail investors who should seek independent financial advice before investing in a Fund.

Shares in the Funds are and will continue to be marketed and made available sufficiently widely to reach the intended investors.

UNITED KINGDOM TAXATION

The taxation of income and capital gains of both the Company and Shareholders is subject to the fiscal law and practice of the UK and of the jurisdictions in which Shareholders are resident or otherwise subject to tax. The following summary of the anticipated tax treatment in the UK does not constitute legal or tax advice and applies only to persons holding Shares as an investment. It is not a guarantee to any investor of the tax results of investing in the Company, and prospective investors should be aware that the relevant fiscal rules and practice or their interpretation may change.

Prospective investors should consult their own professional advisers as to the tax implications of making an investment in, holding, exchanging or disposing of Shares and the receipt of distributions with respect to such Shares under the laws of the jurisdictions in which they may be liable to taxation.

The Company

As the Company is an open-ended investment company, to which The Authorised Investment Funds (Tax) Regulations 2006 apply, the Company will not be subject to UK taxation on capital gains arising on the disposal of investments held by it.

Subject to certain exclusions and anti-avoidance rules, the Company will not be subject to tax on dividends and similar distributions received from other companies (including distributions received from non-UK companies). The Company will be subject to corporation tax currently at 20% on other types of income after deducting allowable expenses. Where the Company suffers foreign tax on income received, this may normally be deducted from the UK tax due on that income.

Regulations adopted in 2009 allow open-ended investment companies such as the Company to elect to become “Tax Elected Funds” (“TEF”), subject to certain exclusions with effect from 1 September 2009. The effect of such an election would mean that the Company would not pay tax on its investment income and the point of taxation on such income would shift to the Shareholders in the Company. The ACD reserves the right to elect as a “TEF” in respect of the Company.

UK Shareholders

Income Tax

Currently, only Net Accumulation Shares are available in the Company. On the specified allocation dates each Shareholder will become entitled to an allocation of accumulated income, but no distributions of accumulated income will be made. For the purposes of UK taxation, income that is accumulated is treated as if it had been distributed to the Shareholders holding the relevant Accumulation Shares. The accumulation is treated as dividend income for UK tax purposes.

A tax voucher will be distributed annually to each Shareholder which will show the amount of income to which they are entitled, the nature of the accumulations and related tax credits. Notes printed on the tax voucher indicate how the amount should be reflected in the Shareholder's tax return.

Dividends

Dividend accumulations to non-corporate Shareholders will not be subject to UK withholding tax but will carry a tax credit at a rate of 10% of the sum of the dividend and the tax credit.

Basic rate taxpayers will be liable to income tax on their dividend income and associated tax credit at the dividend ordinary rate (currently 10%). Therefore, the 10% tax credit on dividend accumulations will satisfy the liability to UK income tax of basic rate taxpayers.

Shareholders liable to UK income tax at the higher rate (currently 40%) must account to HM Revenue & Customs for any further tax due on the gross amount of the income, that is the distribution plus the tax credit. Higher rate taxpayers will be liable to income tax on their dividend income at the dividend upper rate of 32.5% (i.e. an additional 22.5% of the sum of the dividend and tax credit, allowing for offset of the 10% tax credit). Generally, it will not be possible for Shareholders to reclaim any amount in respect of the tax credit. Shareholders should note that from tax year 2013-14 dividend distributions and deemed distributions forming a part of an individual's taxable income in excess of £150,000 will be taxable at a new 37.5% dividend tax rate, subject to the 10% tax credit.

Corporation Tax

Dividends

Dividend accumulations made on behalf of Shareholders within the charge to UK corporation tax are not subject to UK withholding tax. Such dividend accumulations may be split into two parts, namely a franked and an unfranked part. In general terms, the franked part will correspond to that part of the accumulation as derives from franked investment income and the unfranked part will correspond to that part of the accumulation as derives from other income. In the hands of a UK corporate Shareholder the franked part will be treated as a distribution from a UK company and the Shareholder will, as a consequence, have no additional tax to pay in respect of it. The unfranked part will be treated as an annual payment treated as paid after deduction of tax at the lower rate (currently 20%) and corporate Shareholders may accordingly have additional tax to pay in respect of that part of the accumulation, subject to credit for the tax deemed deducted. The percentages to be used to calculate the allocation between franked investment income and unfranked income received will be set out on the tax voucher.

The corporate streaming rules also limit the maximum amount of income tax that may be reclaimed from HM Revenue & Customs on the unfranked stream. The maximum amount reclaimable by a corporate Shareholder is the corporate Shareholder's portion of the Company's net liability to corporation tax in respect of gross income. The tax voucher will state the Company's net liability to corporation tax in respect of the gross income.

Non-Taxpayers

Charities

Charities are no longer able to reclaim a portion of the tax credit in respect of accumulations made.

ISAs/JISAs

The tax credit on dividend accumulations is no longer repayable to ISA/JISA holders.

Individuals

Individual non-taxpayers cannot reclaim the tax credit on dividend accumulations.

Pension Funds

Pension funds cannot reclaim the tax credit on dividend accumulations.

Non-UK Resident Shareholders

Shareholders who are not resident in the UK will generally not be entitled to a repayment of any part of any tax credit on the dividend accumulation, although it will normally satisfy their UK tax liability on that income. Shareholders may be subject to taxation in their country of residence.

Capital Gains Tax

Payments from the Company to a Shareholder on the redemption of Shares will not be subject to UK withholding tax on capital gains.

For holders of Shares who are resident or ordinarily resident in the UK, the disposal of Shares may give rise to a liability to capital gains tax in respect of gains arising from the disposal or exchange.

Individuals are only liable to capital gains tax if their total chargeable gains in the year, taking into account any available reliefs, exceed their annual exemption (£11,100 for the tax year 2015-2016). If gains in excess of this exemption are realised the excess is taxable at the 18% for basic rate income taxpayers or 28% where the individual's total taxable income and gains exceed the upper limit of the income tax basic rate band (£32,000 for tax year 2016-2017).

Shareholders within the charge to UK corporation tax are chargeable to corporation tax on all such gains and net capital gains will normally be added to the profits charged to corporation tax. Indexation relief may be available to reduce any gain (but not losses) thereby compensating for the increase in value due to inflation.

Income Equalisation

Income equalisation is not operated by the Company.

WINDING-UP OF THE COMPANY

The Company is to be wound-up:-

- i) if an extraordinary resolution of Shareholders is passed to wind-up the Company; or
- ii) on the date of effect 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, albeit that such agreement is subject to there being no material change in any relevant factor prior to the date of the revocation; or

The Company may only be wound-up under the FCA Rules if the Company is solvent and there is no vacancy in the position of the ACD. If the Company is insolvent, or there is such a vacancy, the Company may only be wound-up under Part V of the Insolvency Act 1986 as an unregistered company.

On a winding-up (other than in accordance with an approved scheme of amalgamation or reconstruction) the ACD is required as soon as practicable after the time the Company falls to be wound-up, to realise the property of the Company and pay the liabilities of the Company out of the proceeds.

After making adequate provision for the expenses of the winding-up and the discharge of the liabilities of the Company remaining to be discharged, the ACD may arrange for the Depositary to make one or more interim distributions, and then a final distribution of the proceeds of the realisation of the Company's property to Shareholders, proportionately to the right to participate in the scheme property attached to their respective Shares.

If the Company is to be wound-up in accordance with an approved scheme of amalgamation or reconstruction, the ACD is required to wind-up the Company in accordance with a resolution of holders approving such scheme.

Where the Company and one or more Shareholders (other than the ACD) agree, the requirement to realise the property of the Company shall not apply to that part of the property which is proportionate to the right of that or those Shareholders, and the ACD may distribute that part in the form of property, after making such adjustments or retaining such provision as appears to the ACD appropriate for ensuring that that or those Shareholders bear a proportionate share of the liabilities and expenses.

If any sum of money is unclaimed or stands to the account of the Company at the date of its dissolution, the ACD shall arrange for the Depositary to pay such sum into court within one month after that date in accordance with the OEIC Regulations.

ADDITIONAL INFORMATION

Risks

General Risks

Investors should be aware that there are risks inherent in the holding of securities and other investments and in particular should be aware of the following:-

- 1 Investments in smaller companies generally carry greater risk than is customarily associated with larger companies, which may include, for example, less public information, more limited financial resources and product lines, greater volatility, higher risk of failure than larger companies. The Company's ability to make and to liquidate investments in smaller companies may, from time to time, also be restricted by the liquidity of the market for the smaller company securities in which the Company is invested.
2. The Company may invest in a relatively small number of securities. This potential concentration means that a loss arising in a single investment may cause a proportionately greater loss in the Company than if a larger number of investments were made.
- 3 Past performance of the Company is not a reliable indicator of future results. The value of Shares, and any income from them, can go down as well as up, particularly in the short term, meaning that an investment may not be returned in full.
- 4 The tax treatment of the Company may change and such changes cannot be foreseen. The tax treatment of a Shareholder depends on the individual circumstances of that Shareholder and may be subject to change in future.
- 5 Where regular investments are made with the intention of achieving a specific capital sum in the future, this will normally be subject to maintaining a specified level of investment.
- 6 The Company is intended to be a medium to long-term investment. In the short-term, any preliminary charge can have a higher impact on the overall value of investments in the Company. Details of this charge can be found in the section entitled 'PRELIMINARY CHARGE' on page 22.
- 7 There can be no assurance that the Company will achieve its investment objective. Past performance of the Investment Manager cannot be construed as an indication of the future results of an investment in the Company.
- 8 The levels of income generated by the Company will fluctuate and are not guaranteed.
- 9 In addition, the values, in Pounds Sterling terms, of investments that are not denominated in pounds sterling may rise and fall purely on account of exchange rate fluctuations, which will have a related effect on the price of Shares.
- 10 In certain circumstances, investors' right to sell or redeem Shares may be temporarily suspended, as per the section entitled 'SUSPENSION OF DEALING' on page 34.
- 11 Investors may be subject to a Dilution Adjustment charge when redeeming Shares subject to the details set out in the section entitled 'DILUTION ADJUSTMENT' on page 24.
- 12 Where charges are not paid out of Income this will result in erosion of capital.

- 13 The level of income generated by the fund is not guaranteed. Where income earned is insufficient to cover charges and expenses, the balance will be charged to capital, which may constrain capital growth.

Complaints

Any complaint regarding the management of a Fund or the Company should, in the first instance, be addressed to the ACD and sent to FNZ Transfer Agency Services, Level 5, 67 Lombard Street, London, EC3V 9LJ or investorqueries@fnztaservices.com. A copy of the ACD's complaints handling policy is available upon request

A Shareholder may also have the right to complain directly to the Financial Ombudsman Service of Exchange Tower, London E14 9SR. More details about the Financial Ombudsman Service are available from the ACD.

Money Laundering Procedures

In order to comply with UK anti-money laundering legislation, all investors in the Company will be subject to full anti-money laundering procedures prior to account opening. All customers will be required to provide suitable identification with their application form. If proof of identity is required, neither the ACD nor the Company can issue or sell Shares, remit cancellation or redemption proceeds or switch Shares until appropriate proof has been received. More details are available on request.

Financial Services Compensation Scheme

Rights to compensation for Shareholders in the Company are those outlined in the Compensation Sourcebook issued by the FCA as part of its Handbook of rules and guidance. A statement of the rights to compensation for Shareholders is available from the ACD upon request. Alternatively, you can visit the scheme's website at www.fscs.org.uk or by writing to the Financial Services Compensation Scheme, 10th Floor, Beaufort House, 15 St Botolph Street, London EC3A 7QU.

Conflicts of Interest

- i) The FCA Rules contain provisions on conflict of interest governing any transaction concerning the Company which is carried out by or with any "affected person", which means the Company, an associate of the Company, the ACD, an associate of the ACD, the Depositary, an associate of the Depositary, the Investment Manager, an associate of the Investment Manager and the Auditor.
- ii) These provisions, among other things, enable an affected person (a) to deal in property to, or with, the Company (or the Depositary for the account of the Company); (b) vest property (other than cash) in the Company or the Depositary for the Account of the Company against the issue of Shares in the Company; or (c) acquire property from the Company (or the Depositary acting for the account of the Company), provided that any such transactions with or for the Company are subject to best execution on exchange, or independent valuation or arm's length requirements as set out in the FCA Rules. An affected person carrying out such transaction is not liable to account to the Depositary, the ACD, any other affected person, or to the holders of Shares or any of them for any benefits or profits thereby made or derived.
- iii) These provisions also enable an affected person to enter into a stocklending transaction with or in relation to the Company, provided the transaction is at least as favourable to the Company

as any comparable arrangement on normal commercial terms negotiated at arm's length between the affected person and an independent party. An affected person carrying out such transaction is not liable to account to the Depositary, the ACD, any other affected person, or to the holders of Shares or any of them for any benefits or profits thereby made or derived.

iv) In addition to the foregoing, conflicts of interest of the Investment Manager or its associates may also arise because, for example:

- the Investment Manager or an associate undertakes investment business for other clients, which may invest in some of the same securities that are purchased or held by the Company.

Where conflicts of interest arise, the Investment Manager and/or its associates will ensure fair treatment of the Company in accordance with FCA Regulations, including by one or more of the following:

- relying on its conflicts of interest policy;
- disclosing the general nature and/or sources of conflicts of interest to the ACD;
- establishing internal arrangements (including the implementation of Chinese walls and the use of an investment committee to approve all investment decisions);
- declining to act.

Remuneration Policy

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

The matters covered by the Remuneration Policy include:

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

The Remuneration Policy will apply to the fixed and variable (if any) remuneration received by the identified staff, which includes senior management, risk takers, staff engaged in control functions where the person's professional activities have a material impact on the risk profiles of the ACD or the Company.

In respect of any investment management delegates, the ACD requires that:

- (i) the entities to which such activities have been delegated are subject to regulatory requirements on remuneration that are equally as effective as those applicable under the European Securities and Market's (ESMA's) Guidelines on Sound Remuneration Policies under the UCITS Directive and AIFMD / Article 14 of the UCITS Directive; or

(ii) appropriate contractual arrangements are put in place with entities to which such activities have been delegated in order to ensure that there is no circumvention of the remuneration rules set out in the ESMA Guidelines or the FCA Handbook.

Further Information

Shareholders are entitled to information supplementary to this Prospectus relating to:

- i) the quantitative limits applying to the risk management of the scheme;
- ii) the methods used in relation to (i) above; and
- iii) any recent development of the risk and yields of the main categories of investment.
- iv) copies of contracts of service between the ICVC and its directors, including the ACD.

Shareholders may obtain this information on request by writing to the ACD at its head office.

APPENDIX 1

INVESTMENT LIMITS, BORROWING POWERS & EFFICIENT PORTFOLIO MANAGEMENT

Investment Restrictions

The property of the Company will be invested with the aim of achieving the investment objective and policy but subject to the limits on investment applicable to a UCITS scheme as set out in the FCA Rules. These limits apply to the Company as summarised below:

General

- (A) The scheme property of the Company must, except where otherwise provided in section 5.2 of the FCA Rules, consist only of any or all of:
- (i) transferable securities that fall within paragraph (P) but do not fall within paragraph (S);
 - (ii) approved money market instruments within paragraph (H) or (I) below;
 - (iii) derivatives and forward transactions within paragraph (J) below; and
 - (iv) deposits within paragraph (O) below.

The Company will not invest in immovable or movable property.

- (B) The Company will only hold transferable securities and approved money market instruments that are:
- (i) admitted to or dealt in on an eligible market which falls within paragraph (C)(i)(a) or (c) below;
 - (ii) dealt in on an eligible market which falls within paragraph (C)(i)(b) below; or
 - (iii) any other approved money market instruments not admitted to or dealt in on an eligible market within paragraph (I) below; or
 - (iv) recently issued transferable securities provided that the terms of issue include an undertaking that application will be made to be admitted to an eligible market and such admission is secured within a year of issue.

However, the Company may invest no more than 10% of the scheme property in transferable securities and approved money market instruments other than those referred to in paragraph (B)(i) to (iv) above.

Rule 5.2.11R (Spread: general) and Rule 5.2.12R of the FCA Rules (Spread: government and public securities) do not apply until the expiry of a period of six months after the date of effect of the authorisation order of the Company (or on which the initial offer for sale of shares in the Company commenced, if later), provided that FCA Rule 5.2.3R(1) (Prudent spread of risk) is complied with during such period.

At times it is appropriate not to be fully invested. The Company may hold cash or near cash (as defined for the purposes of the FCA Rules) to the extent this may reasonably be regarded as necessary:

- (1) to enable the pursuit of the Company's investment objectives;
- (2) to enable shares to be redeemed;
- (3) for the efficient management of the Company in accordance with its investment objectives; or
- (4) for other purposes which may reasonably be regarded as ancillary to the investment objectives of the Company.

Eligible Markets

(C) To protect investors, markets on which certain investments of the Company are admitted to or dealt in on must be of an adequate quality ("eligible") at the time of acquisition of the investment and until it is sold. If a market ceases to be eligible, investments on that market cease to fall within Paragraphs (B)(i) or (ii) and the 10% restriction will apply to them.

- (i) An eligible market is:
 - (a) a regulated market; or
 - (b) any market established in a European Union member state or any other state within the European Economic Area which is regulated, operates regularly and is open to the public.
 - (c) any other market in the list below.
 - Australian Securities Exchange;
 - Channel Islands Stock Exchange;
 - Hong Kong Stock Exchange;
 - New York Stock Exchange;
 - Toronto Stock Exchange.

A market may be added to the list (by appearing in a supplement to, or an updated version of this Prospectus) if the ACD, after consultation with the Depositary, considers the market is appropriate for the investment of, or dealing in, the property of the Company, and the Depositary has taken reasonable care to determine that adequate custody arrangements can be provided for the investment dealt in on that market; and all reasonable steps have been taken by the ACD in deciding whether that market is eligible.

However, a market will not be considered appropriate unless it:

- (a) is regulated;

- (b) operates regularly;
- (c) is recognised;
- (d) is open to the public;
- (e) is adequately liquid; and
- (f) has adequate arrangements for unimpeded transmission of income and capital to or to the order of investors.

Spread of investments

(D) Other than in relation to holdings in government and public securities:

- (i) No more than 20% in value of the Company may consist of deposits with a single body as defined in Rule 5.2.13R(3) of the FCA Rules.
- (ii) No more than 5% in value may consist of transferable securities or approved money market instruments issued by any single body.
- (iii) The limit of 5% in paragraph (D)(ii) is raised to 10% in respect of up to 40% in value of the Company. Covered bonds need not be taken into account for the purpose of applying the limit of 40%.
- (iv) The limit of 5% in paragraph (D)(ii) is raised to 25% in value of the Company in respect of covered bonds, provided that when the Company invests more than 5% in covered bonds issued by a single body, the total value of covered bonds held must not exceed 80% in value of the Company.
- (v) For the purposes of paragraphs (D)(ii) and (D)(iii), certificates representing certain securities are to be treated as equivalent to the underlying security.
- (vi) The exposure of the Company to any one counterparty in an OTC derivative transaction must not exceed 5% in value of the Company (or 10% if the counterparty is an approved bank).
- (vii) No more than 20% in value of the Company may consist of transferable securities and approved money market instruments issued by the same group.
- (viii) No more than 20% in value of the Company may consist of the units of any single collective investment scheme.
- (ix) In applying the limits in paragraphs (D)(i), (D)(ii), (D)(iii), (D)(v) and (D)(vi) and subject to paragraph (D)(iv), no more than 20% in value of the Company may consist of any combination of two or more of the following:
 - (a) transferable securities (including covered bonds) or approved money market instruments issued by;
 - (b) deposits made with; or

- (c) exposures from OTC derivatives transactions made

with a single body. In applying this 20% limit, government and public securities issued by that body shall be taken into account.

For purposes of this paragraph, companies included in the same group for the purposes of consolidated accounts as defined in accordance with the Seventh Company Law Directive (83/349/EEC) or, in the same group in accordance with international accounting standards, are regarded as a single body.

Government and Public Securities

- (E) In relation to holdings in government and public securities,

No more than 35% in value of the Company may be invested in government and public securities issued by any one body.

Collective Investment Schemes

- (F) The Company does not intend to invest in units in collective investment schemes.

Partly paid securities

- (G) The Company may only acquire a transferable security or money market instrument on which any sum is unpaid if it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by the Company, at the time when payment is required, without contravening the investment restrictions and rules described in this section of this Prospectus and the FCA Rules.

Approved money market instruments

- (H) An approved money market instrument is a money market instrument which is normally dealt in on the money market, is liquid and whose value can be accurately determined at any time. For these purposes:
 - (i) a money market instrument shall be regarded as normally dealt in on the money market if it:
 - (a) has a maturity at issuance of up to and including 397 days;
 - (b) has a residual maturity of up to and including 397 days;
 - (c) undergoes regular yield adjustments in line with money market conditions at least every 397 days; or
 - (d) has a risk profile, including credit and interest rate risks, corresponding to that of an instrument which has a maturity as set out in paragraph (H)(i)(a) or (b) or is subject to yield adjustments as set out in paragraph (H)(i)(c).

- (ii) a money market instrument shall be regarded as liquid if it can be sold at limited cost in an adequately short time frame, taking into account the obligation of the ACD to redeem units at the request of any qualifying unitholder; and
- (iii) a money market instrument shall be regarded as having a value which can be accurately determined at any time if accurate and reliable valuations systems, which fulfil the following criteria, are available:
 - (a) enabling the ACD to calculate a net asset value in accordance with the value at which the instrument held in the portfolio could be exchanged between knowledgeable willing parties in an arm's length transaction; and
 - (b) based either on market data or on valuation models including systems based on amortised costs.

A money market instrument that is normally dealt in on the money market and is admitted to or dealt in on an eligible market shall be presumed to be liquid and have a value which can be accurately determined at any time unless there is information available to the ACD that would lead to a different determination.

- (I) The Company may invest in an approved money market instrument that is not admitted to or dealt in on an eligible market provided it fulfils the following requirements:
 - (i) the issue or the issuer is regulated for the purpose of protecting investors and savings; and
 - (ii) the instrument is:
 - (a) issued or guaranteed by a central authority of an EEA State or, if the EEA State is a federal state, one of the members making up the federation, a regional or local authority of an EEA State, the European Central Bank or a central bank of an EEA State, the European Union or the European Investment Bank, a non-EEA State or, in the case of a federal state, by one of the members making up the federation, or a public international body to which one or more EEA States belong; or
 - (b) issued by a body, any securities of which are dealt in on an eligible market; or
 - (c) issued or guaranteed by an establishment which is:
 - (1) subject to prudential supervision in accordance with criteria defined by Community law; or
 - (2) subject to and complies with prudential rules considered by the FCA to be at least as stringent as those laid down by Community law. An establishment shall be considered to satisfy this requirement if it is subject to and complies with prudential rules, and fulfils one or more of the following criteria: it is located in the European Economic Area, it is located in an OECD country belonging to the Group of Ten, it has at least investment grade rating, or on the basis of an in-depth analysis

of the issuer, it can be demonstrated that the prudential rules applicable to that issuer are at least as stringent as those laid down by Community law.

Derivatives and Forwards

- (J) The Company may use its property to enter into transactions in transferable securities that contain an embedded derivative component for the purposes of efficient portfolio management (EPM) (including hedging) within (AA) below or meeting the investment objectives of the Company, or both. The Company does not currently intend to invest directly in derivatives. An investment in a transferable security that contains an embedded derivative component for the purposes of hedging may reduce the risk profile of the scheme by diminishing the risk of the fluctuation that is being hedged against (e.g. price or currency). An investment in a transferable security that contains an embedded derivative component for the purposes of meeting the investment objectives of the Company may increase the risk profile of the scheme.

Where a transferable security or approved money-market instrument embeds a derivative, this must be taken into account for the purposes of complying with the FCA Rules, including those summarised in paragraphs (J) through (N).

- (i) The FCA Rules further require that a transaction in derivatives or a forward transaction must not be effected for the Company unless:
- (a) the transaction is of a kind specified in paragraph (J)(ii) and (iii); and
 - (b) the transaction is covered, as required by paragraph (U).

Furthermore, the exposure of the Company when it invests in derivatives to the underlying assets must not exceed the limits in paragraphs (D) and (E), unless the derivative in question is an index based derivative for which the relevant index satisfies the following three criteria:

- (1) the composition is sufficiently diversified in that its components adhere to the spread and concentration requirements in section 5.2 of the FCA Rules;
 - (2) the index represents an adequate benchmark for the market to which it refers in that its provider uses a recognised methodology which generally does not result in the exclusion of a major issuer of the market to which it refers; and
 - (3) the index is published in an appropriate manner.
- (ii) Any transaction by the Company in a derivative must:
- (a) be in a derivative which is traded or dealt in on an eligible derivatives market; or
 - (b) comply with paragraph (N).
- (iii) Furthermore, any transaction in a derivative by the Company:

- (a) must have the underlying assets consisting of any or all of the following to which the Company is dedicated:
 - 1. transferable securities permitted under paragraph (B)(i), (B)(ii) or (B)(iv);
 - 2. approved money market instruments permitted under paragraph (B)(i) to (iv);
 - 3. deposits permitted under paragraph (O);
 - 4. derivatives permitted under paragraph (J)(ii) and (iii);
 - 5. collective investment scheme units permitted under paragraph (F);
 - 6. financial indices which satisfy the criteria set out in paragraph (J)(v);
 - 7. interest rates;
 - 8. foreign exchange rates; and
 - 9. currencies;
 - (b) (unless it falls within paragraph (N) below) must be effected on or under the rules of an eligible derivatives market.
 - (c) must not cause the Company to diverge from the investment objectives as stated in the Instrument Of Incorporation or this Prospectus.
 - (d) must not be entered into by the Company if the intended effect is to create the potential for an uncovered sale of one or more transferable securities, approved money market instruments, units in collective investment schemes, or derivatives, provided that a sale is not to be considered uncovered if the conditions in paragraph (M)(i) or (M)(ii) are satisfied.
- (iv) An eligible derivatives market is:
- (a) a regulated market,
 - (b) a market established in a European Union member state or any other state within the European Economic Area which is regulated, operate regularly and are open to the public.

A market may be added to the list (by appearing in a supplement to, or an updated version of this Prospectus) if the ACD, after consultation with the Depositary, considers the market is appropriate for the investment of, or dealing in, the property of the Company, and the Depositary has taken reasonable care to determine that adequate custody arrangements can be provided for the investment dealt in on that market and all reasonable steps have been taken by the ACD in deciding whether that market is eligible.

However, a market will not be considered appropriate unless it:

- (a) is regulated;

- (b) operates regularly;
 - (c) is recognised;
 - (d) is open to the public;
 - (e) is adequately liquid; and
 - (f) has adequate arrangements for unimpeded transmission of income and capital to or to the order of investors.
- (v) The financial indices referred to in (J)(iii)(a)(6) are those which satisfy the following criteria:
- (a) the index is sufficiently diversified, in that (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, (2) where it is composed of assets in which a UCITS scheme is permitted to invest, its composition is at least diversified in accordance with the requirements with respect to spread and concentration set out in this section and (3) where it is composed of assets in which a UCITS scheme cannot invest, it is diversified in a way which is equivalent to the diversification achieved by the requirements with respect to spread and concentration set out in this section;
 - (b) the index represents an adequate benchmark for the market to which it refers, in that (a) it measures the performance of a representative group of underlyings in a relevant and appropriate way, (b) 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 (c) the underlyings are sufficiently liquid, allowing users to replicate it if necessary; and
 - (c) the index is published in an appropriate manner, in that (a) 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 (b) 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.
- (K) Any forward transaction by the Company may only be with an eligible institution or approved bank.
- (L) A derivative or forward transaction (which is permitted under paragraphs (J) and (K) which will or could lead to the delivery of property for the account of the Company may be entered into only if that property can be held by the Company 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 FCA Rules.
- (M) The Company may not dispose of property or rights unless the obligation to make the disposal and any other similar obligation could immediately be honoured by delivery of property or the assignment (or, in Scotland, assignation) of rights; and the property and rights are owned by the

Company at the time of the agreement. However this restriction does not apply to a deposit or where:

- (i) 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
- (ii) the ACD or the Depositary has the right to settle the derivative in cash, and cover exists within the scheme property which falls within one of the following asset classes: (a) cash; (b) liquid debt instruments (e.g. government bonds of first credit rating) with appropriate safeguards (in particular, haircuts); or (c) 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). For these purposes, 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.

(N) Any transaction in an OTC derivative under paragraph (J)(ii)(b) must be:

- (i) with a counterparty which is an eligible institution or an approved bank or which is authorised by the FCA or its home state regulator to enter into transactions as principal off exchange;
- (ii) on approved terms, in that before the transaction is entered into, the Depositary must be satisfied that the counterparty has agreed with the Company or the ACD:
 - (a) to provide, at least daily and at any other time at the request of the Company or the ACD, a reliable and verifiable valuation in respect of that transaction corresponding to its fair value (being the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction) and which does not rely only on market quotations by the counterparty; and
 - (b) that it or an alternative counterparty will, at the request of the Company or the ACD, enter into a further transaction to sell, liquidate or close out the transaction at any time, at a fair value arrived at under the reliable market value basis or pricing model or other reliable basis agreed between the ACD and the Depositary under paragraph (N)(iii) below;
- (iii) capable of reliable valuation, in that the ACD having taken reasonable care determined 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 (a) on the basis of an up-to-date market value which the ACD and the Depositary have agreed is reliable, or (b) if the value referred to in (a) is not available, on the basis of a pricing model which the ACD and the Depositary have agreed uses an adequate recognised methodology; and
- (iv) subject to verifiable valuation in that, throughout the life of the derivative (if the transaction is entered into) verification of the valuation is carried out by (a) an

appropriate third party which is independent from the counterparty of the derivative, at an adequate frequency and in such a way that the authorised fund manager is able to check it; or (b) a department within the ACD which is independent from the department in charge of managing the scheme property and which is adequately equipped for such a purpose.

The Manager will use a risk management process enabling it to monitor and measure as frequently as appropriate the risk of the Company's positions and their contribution to the overall risk profile of the Company.

The following details of the risk management process must be notified by the ACD to the FCA in advance of their use: the methods for estimating risks in derivative and forward transactions; and the types of derivatives and forwards to be used together with their underlying risks and any relevant quantitative limits. The ACD must notify the FCA in advance of any material alteration to these details.

Deposits

- (O) The Company may invest in deposits only with an approved bank and which are repayable on demand or have the right to be withdrawn, and mature in no more than 12 months.

Transferable securities

- (P) The Company may invest in a transferable security only to the extent that the transferable security fulfils the following criteria:
- (i) the potential loss which the Company may incur with respect to holding the transferable security is limited to the amount paid for it;
 - (ii) its liquidity does not compromise the ability of the ACD to comply with its obligation to redeem units at the request of any qualifying Shareholder;
 - (iii) reliable valuation is available for it as follows:
 - (a) in the case of a transferable security admitted to or dealt in on an eligible market, where there are accurate, reliable and regular prices which are either market prices or prices made available by valuation systems independent from issuers;
 - (b) in the case of a transferable security not admitted to or dealt in on an eligible market, where there is a valuation on a periodic basis which is derived from information from the issuer of the transferable security or from competent investment research;
 - (iv) appropriate information is available for it as follows:
 - (a) in the case of a transferable security admitted to or dealt in on an eligible market, where there is regular, accurate and comprehensive information available to the market on the transferable security or, where relevant, on the portfolio of the transferable security;

- (b) in the case of a transferable security not admitted to or dealt in on an eligible market, where there is regular and accurate information available to the authorised fund manager on the transferable security or, where relevant, on the portfolio of the transferable security;
- (v) it is negotiable; and
- (vi) its risks are adequately captured by the risk management process of the ACD.

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

- (Q) A unit in a closed end fund shall be taken to be a transferable security for the purposes of investment by the Company, provided it fulfils the criteria for transferable securities set out in paragraph (P), and either:
 - (i) where the closed end fund is constituted as an investment company or a unit trust, it is subject to corporate governance mechanisms applied to companies, and where another person carries out asset management activity on its behalf, that person is subject to national regulation for the purpose of investor protection; or
 - (ii) where the closed end fund is constituted under the law of contract, it is subject to corporate governance mechanisms equivalent to those applied to companies, and it is managed by a person who is subject to national regulation for the purpose of investor protection.
- (R) The Company may invest in any other investment which shall be taken to be a transferable security for the purposes of investment by the Company provided the investment:
 - (i) fulfils the criteria for transferable securities set out in paragraph (P); and
 - (ii) is backed by or linked to the performance of other assets, which may differ from those in which a UCITS scheme can invest.

Where an investment in paragraph (R)(i) or (R)(ii) above contains an embedded derivative component, the requirements of this section with respect to derivatives and forwards will apply to that component.

- (S) The Company may not acquire transferable securities issued by a body corporate and carrying rights to vote (whether or not on substantially all matters) at a general meeting of that body corporate if:
 - (i) immediately before the acquisition, the aggregate of any such securities held by the Company gives the Company power significantly to influence the conduct of business of that body corporate; or
 - (ii) the acquisition gives the Company that power.

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

Concentration limits

(T) The Company:

- (i) must not acquire transferable securities (other than debt securities) which:
 - (a) do not carry a right to vote on any matter at a general meeting of the body corporate that issued them; and
 - (b) represent more than 10% of those securities issued by that body corporate;
- (ii) must not acquire more than 10% of the debt securities issued by any single body;
- (iii) must not acquire more than 25% of the units in a collective investment scheme;
- (iv) must not acquire more than 10% of the approved money market instruments issued by any single body;

However the limits in (ii), (iii) and (iv) above do not apply if, at the time of acquisition, the net amount in issue of the relevant investment in issue cannot be calculated.

Derivative exposure

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

- (i) Exposure is covered globally if adequate cover from within the Company (including cash not yet received but due within one month) is available to meet its total exposure, taking into account the value of the underlying assets, any reasonably foreseeable market movement, counterparty risk and the time available to liquidate any positions.
- (ii) Property the subject of a stock-lending transaction is only available for cover if the ACD has taken reasonable care to determine that it is obtainable (by return or re-acquisition) in time to meet the obligation for which cover is required.
- (iii) The global exposure relating to derivatives held for the Company may not exceed the net value of the Company.

Borrowing

(V) Cash obtained from borrowing, and borrowing which the ACD reasonably regards an eligible institution or an approved bank to be committed to provide, is not available for cover pursuant to paragraph (U), except if paragraph (W) applies.

- (W) If 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 that borrowing on deposit with that lender (or his agent or nominee); then paragraphs (U) and (V) apply as if the borrowed currency, and not the deposited currency, were part of the property of the Company.

Stock-lending

- (X) The Company may enter into stock lending or repo contracts permitted by this paragraph (Q) when it reasonably appears to the ACD to be appropriate to do so with a view to generating additional income for the Company with an acceptable degree of risk.

The Company, or the Depositary at the request of the Company, may enter into repo contracts or certain stock-lending arrangements, but only if:

- (i) all the terms of the agreement under which securities are to be reacquired by the Depositary for the account of the Company are in a form which is acceptable to the Depositary and are in accordance with good market practice;
- (ii) the counterparty is an FCA authorised person, a person authorised in another EEA member state, a person registered as a broker-dealer with the US Securities and Exchange Commission or a US bank, or a branch of a US bank, supervised and authorised to deal in investments as principal, with respect to OTC derivatives by at least one of the following US federal banking supervisory authorities: the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System or the Office of Thrift Supervision; and
- (iii) collateral is obtained to secure the obligation of the counterparty under the terms referred to in (i) above and the collateral is acceptable to the Depositary and is adequate and sufficiently immediate as provided in the FCA Rules. However, the requirements of this sub-paragraph (iii) do not apply to a stock lending transaction made through Euroclear Bank SA/NV's Securities Lending and Borrowing Programme.

There is no limit on the value of the property of the Company which may be the subject of stock-lending arrangements. However the arrangements must always comply with the requirements of the Taxation of Chargeable Gains Act 1992 and the requirements of the FCA Rules as amended from time to time.

Underwriting

- (Y) Underwriting and sub-underwriting contracts and placings may also, subject to certain conditions set out in the FCA Rules, be entered into for the account of the Company.

Borrowing powers

- (Z) The Company may, on the instructions of the ACD and subject to the FCA Rules, borrow money from an eligible institution or approved bank for the use of the Company on terms that the borrowing is to be repayable out of the scheme property of the Company. Borrowing must be on a temporary basis, must not be persistent, and in any event must not exceed 3 months without the prior consent of the Depositary, which may be given only on such conditions as appear

appropriate to the Depositary to ensure that the borrowing does not cease to be on a temporary basis. The ACD must ensure that borrowing does not, on any Business Day, exceed 10% of the value of the Company. These borrowing restrictions do not apply to “back-to-back” borrowing under paragraph (W).

At the date hereof, the Company does not intend to exercise its borrowing powers, other than where required to effect the settlement of underlying securities.

Efficient Portfolio Management (EPM)

(AA) Techniques and instruments entered into for EPM purposes are those which relate to transferable securities or approved money-market instruments and which fulfil the following criteria:

- (i) they are economically appropriate in that they are realised in a cost effective way;
- (ii) they are entered into for one or more of the following specific aims:
 - 1. reduction of risk;
 - 2. reduction of cost;
 - 3. 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 Rules.

APPENDIX 2

LIST OF DELEGATES AND SUB-DELEGATES OF THE DEPOSITARY

Country	Sub-custodians
ARGENTINA	Banco Santander Río S.A. - Buenos Aires
AUSTRALIA	Citibank - Melbourne
AUSTRIA	Unicredit Bank Austria AG - Vienna
BAHRAIN	HSBC Bank Middle East Limited - Manama
BELGIUM	ESES - EUROCLEAR
BENIN	SG BCI - Abidjan
BOTSWANA	Standard Chartered Bank Mauritius Limited - Ebene
BRAZIL	Santander Securities Services Brasil Distribuidora de Titulos e Valores
BULGARIA	Societe Generale Expressbank AD - Varna
BURKINA FASO	SG BCI - Abidjan
CANADA	Royal Bank of Canada - Toronto
CHILE	Banco Santander Chile S.A. - Santiago
CHINA Shanghai	HSBC Bank (China) Company Limited - Shanghai
CHINA Shenzhen	HSBC Bank (China) Company Limited - Shenzhen
COLOMBIA	Itau Securities Services Colombia S.A Sociedad Fiduciaria
CROATIA	Splitska Banka - Split
CYPRUS	BNP Paribas Securities Services SA, Athens Branch
CZECH REPUBLIC	Komerční Banka - Prague
DENMARK	Nordea Bank Danmark A/S - Copenhagen
EGYPT	Qatar National Bank Alahli
ESTONIA	Nordea Bank AB (Publ), Finnish Branch - Helsinki
EURO MARKET	Euroclear Bank SA/NV - Brussels
EURO MARKET	Clearstream Banking S.A. - Luxembourg
FINLAND	Nordea Bank AB (Publ), Finnish Branch - Helsinki
FRANCE	ESES - EUROCLEAR
GERMANY	Deutsche Bank - Frankfurt
GERMANY	Euroclear Bank SA/NV - Brussels
GERMANY	Societe Generale S.A. - Frankfurt am Main
GHANA	Standard Chartered Bank Mauritius Limited - Ebene
GREECE	BNP Paribas Securities Services SA, Athens Branch
GUINEEA BISSAU	SG BCI - Abidjan
HONG KONG	Deutsche Bank - Hong-Kong
HUNGARY	KBC Securities - Budapest
ICELAND	Landsbankinn HF - Reykjavik
INDIA	SBI-SG Global Securities Services Pvt. Ltd
INDONESIA	Standard Chartered Bank - Jakarta
IRELAND	Euroclear Bank SA/NV - Brussels

ISRAEL	Bank Hapoalim B.M. - Tel-Aviv
ITALY	SGSS SPA - Milan
IVORY COAST	SG BCI - Abidjan
JAPAN	HSBC Corp. Ltd - Tokyo
JORDAN	Standard Chartered - Amman
KENYA	Standard Chartered Bank Mauritius Limited - Ebene
KUWAIT	HSBC Bank Middle East Limited - Kuwait City
LATVIA	Swedbank AS - Riga
LITHUANIA	AB SEB Bankas - Vilnius
LUXEMBOURG	Societe Generale Bank & Trust - Luxemburg
MALAYSIA	HSBC Bank Malaysia Berhad - Kuala Lumpur
MALI	SG BCI - Abidjan
MAURITIUS	HSBC Corp. Ltd - Port Louis
MEXICO	Banco Santander México SA - Mexico City
MOROCCO	Societe Generale Marocaine de Banques (SGMG SG) - Casablanca
NETHERLANDS	ESES - EUROCLEAR
NEW ZEALAND	Citibank - Melbourne
NIGER	SG BCI - Abidjan
NIGERIA	Standard Chartered Bank Nigeria Limited - Lagos
NORWAY	Nordea Bank Norge ASA - Oslo
OMAN	HSBC Bank Middle East Limited - Ruwi
PERU	Citibank del Peru SA - Lima
PHILIPPINES	HSBC Corp. Ltd - Manila
POLAND	Societe Generale S.A. Branch in Poland - Warszawa
PORTUGAL	BNP Paribas Securities Services SA - Paris
QATAR	HSBC Bank Middle East Limited - Doha
ROMANIA	BRD - Bucharest
RUSSIA	Rosbank - Moscow
SAUDI ARABIA	HSBC Saudi Arabia Ltd - Riyadh
SENEGAL	SG BCI - Abidjan
SERBIA	Societe Generale Banka Srbija AD - Belgrad
SINGAPORE	HSBC Corp. Ltd - Singapore
SLOVAKIA	CSOB - Bratislava
SLOVENIA	SKB Banka d.d.- Ljubljana
SOUTH AFRICA	Societe Generale S.A. - Johannesburg
SOUTH KOREA	HSBC Corp. Ltd - Seoul
SPAIN	Societe Generale S.A. - Madrid
SWEDEN	Nordea Bank AB (publ) - Stockholm
SWITZERLAND	Societe Generale, Zurich Branch
TAIWAN	HSBC Corp. Ltd - Taipei
THAILAND	HSBC Ltd - Bangkok
TOGO	SG BCI - Abidjan
TUNISIA	UIB - Tunis
TURKEY	Türk Ekonomi Bankasi A.S. - Istanbul

UKRAINE	Unicredit Bank Austria AG - Vienna
UNITED ARAB EMIRATES	First Abu Dhabi Bank PJSC
UNITED KINGDOM	Euroclear Bank SA/NV - Brussels
UNITED KINGDOM	HSBC Plc - London
UNITED STATES	BBH - New York
UNITED STATES	BNP Paribas Securities Services - New York Branch
UNITED STATES	Citibank NA - New York
VIETNAM	HSBC Bank (Vietnam) Limited - Hanoi