

MFM UK Primary Opportunities Fund

PROSPECTUS

**Prepared in accordance with the Collective Investment
Schemes Sourcebook**

Dated and valid as at 7th August 2019

THIS PROSPECTUS IS IMPORTANT.

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

No person has been authorised by the Company or the ACD to give any information or to make any representations in connection with the offering of Shares other than those contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been made by the Company or the ACD. The

delivery of this Prospectus (whether or not accompanied by any reports) or the issue of Shares shall not, under any circumstances, create any implication that the affairs of the Company have not changed since the date hereof.

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

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

The provisions of the Instrument of Incorporation are binding on each of the shareholders and a copy of the Instrument of Incorporation is available on request from Marlborough Fund Managers Limited.

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

This Prospectus is based on information, law and practice as at the date "valid as at date" which appears on the front cover and below. The Company and ACD cannot be bound by a prospectus which is out of date when a new version has been issued and investors should check with Marlborough Fund Managers Limited that this is the most recently published prospectus.

US Tax Reporting

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

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

A "U.S Person" means any citizen or resident of the United States of America, its territories and possessions including the State and District of Columbia and all areas subject to its jurisdiction (including the Commonwealth of Puerto Rico), any corporation, trust, partnership or other entity created or organised in or under the laws of the United States of America, any state thereof or any estate or trust the income of which is subject to United States federal income tax, regardless of source. The expression also includes any person falling within the definition of the term "U.S Person" under Regulation S promulgated under the United States Securities Act of 1933.

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TERMS USED IN THIS DOCUMENT

“ACD”	Marlborough Fund Managers Limited, the authorised corporate director of the Company
“Act”	Financial Services and Markets Act 2000 as amended, restated, re-enacted or replaced
“Business Day”	A day on which the London Stock Exchange is open for business
“Class”	All of the Shares relating to a particular class or classes of Shares of the Company
“COLL”	The Financial Conduct Authority’s Collective Investment Scheme Source Book, as amended, restated, re-enacted or replaced
“Company”	MFM UK Primary Opportunities Fund
“Custodian”	HSBC Bank plc, the custodian of the Company
“Depository”	HSBC Bank plc, the depository of the Company
“FCA”	The Financial Conduct Authority, 12 Endeavour Square, London, E20 1JN and any successor entity
“FCA Regulations”	The rules in the FCA Handbook, as amended from time to time.
“Investment Adviser”	RC Brown Investment Management PLC
“ISA Regulations”	Individual Savings Account Regulation 1998, as amended from time to time
“NISA”	An New Individual Savings account under the ISA Regulation
“Net Asset Value” or “NAV”	The value of the Scheme Property held by the Company less the liabilities of the Company as calculated in accordance with the Company’s Instrument of Incorporation and the FCA Regulations
“Non-Qualified Person”	<p>Any person to whom a transfer of Shares (legally or beneficially) or by whom a holding of Shares (legal or beneficially) would or in the opinion of the ACD might:</p> <ul style="list-style-type: none">- be in breach of any law (or regulation by a competent authority) of any country or territory by virtue of which the person in question is not qualified to hold such Shares; or- require the Company to be registered under any law or regulation whether as an investment fund or otherwise, or cause the Company to be required to apply for registration, or comply with any registration requirements in respect of any of its Shares, whether in the United States of America or any other jurisdiction; or- cause the Company or its Shareholders some legal, regulatory, taxation, pecuniary or material administrative disadvantage which the Company or its Shareholders might not otherwise have incurred or suffered; or- result in the Company having more than 80 Beneficial owners of its Shares (whether directly or by attribution pursuant to section 3(c) (1) (a) of the United States Investment Company Act of 1940) who are United States persons within the meaning of Regulation S under United States Securities Act of 1933, as amended
“OEIC Regulations 2001”	The Open-Ended Investment Companies Regulations 2001, as amended or re-enacted from time to time

“Registrar”	Marlborough Fund Managers Limited
“Register”	The register of Shareholders kept on behalf of the Company pursuant to paragraph 1 (1) of schedule 4 of the OEIC Regulations 2001
“Scheme Property”	The property of the Company required under the FCA Regulations to be given for safekeeping to the Depositary
“Share”	A Share in the capital of the Company (including the fractions of one hundredths of a share)
“Shareholder”	A holder of registered Shares
“SDRT”	Stamp Duty Reserve Tax
“SDRT provision”	A charge of such amount or rate as is determined by the ACD to be made as a provision for SDRT for which the Company may become liable under the Stamp Duty and Stamp Duty Reserve Tax (Open-Ended Investment Companies) (Amendment No.2) Regulations 1999 (or any statutory modification or re-enactment of it) in respect of a surrender of Shares to the ACD for the purposes of those Regulation
"UCITS Directive"	The European Parliament and Council Directive of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (No 2009/65/EC) (as amended from time to time)
"UCITS Scheme"	A collective investment Scheme which is authorised by the FCA which complies with the conditions necessary for it to enjoy the rights conferred by the UCITS Directive

DIRECTORY

Addresses of:

THE COMPANY

MFM UK PRIMARY OPPORTUNITIES FUND

REGISTERED OFFICE

Marlborough House
59 Chorley New Road
Bolton
BL1 4QP

HEAD OFFICE

and address for service of notices
Marlborough House
59 Chorley New Road
Bolton
BL1 4QP

THE AUTHORISED CORPORATE DIRECTOR

MARLBOROUGH FUND MANAGERS LIMITED

(Authorised and regulated by the Financial Conduct Authority)

REGISTERED OFFICE

Marlborough House
59 Chorley New Road
Bolton
BL1 4QP

HEAD OFFICE

and address for service of notices
Marlborough House
59 Chorley New Road
Bolton
BL1 4QP

THE DEPOSITARY & CUSTODIAN

HSBC Bank plc

(Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority)

REGISTERED OFFICE

8 Canada Square
London
E14 5HQ

HEAD OFFICE

8 Canada Square
London
E14 5HQ

INVESTMENT ADVISER

RC BROWN INVESTMENT MANAGEMENT PLC

(Authorised and regulated by the Financial Conduct Authority)

HEAD OFFICE

1 The Square
Temple Quay
Bristol
BS1 6DG

REGISTRAR AND ADMINISTRATOR

MARLBOROUGH FUND MANAGERS LIMITED

(Authorised and regulated by the Financial Conduct Authority)

REGISTERED OFFICE

Marlborough House
59 Chorley New Road
Bolton
BL1 4QP

HEAD OFFICE

Marlborough House
59 Chorley New Road
Bolton
BL1 4QP

AUDITOR

Barlow Andrews

REGISTERED OFFICE

78 Chorley New Road,
Bolton
BL1 4BY

THE COMPANY

1. THE COMPANY

The Company is an investment company with variable capital incorporated with limited liability and registered in England and Wales under number IC54 and authorised by the FCA on 21st December 1999 with the Product Reference Number (PRN) 190625. The Company is a UCITS Scheme. The operation of the Company is governed by the FCA Regulations, the Company's Instrument of Incorporation and this Prospectus.

Share Capital: The maximum share capital of the Company is £500,000,000,000 and the minimum share capital is £100.

The base currency for the Company is United Kingdom Pounds sterling.

2. INVESTMENT OBJECTIVE AND POLICY OF THE COMPANY

The investment objective and policy of the Company is set out in Appendix 1, and details of eligible security and derivative markets on which the Company may invest are detailed in Appendix 2.

The assets of the Company will be invested with the aim of achieving the investment objective and in accordance with the policy of the Company. It must also be invested so as to comply with the investment and borrowing powers and restrictions set out in the FCA Regulations, the Instrument of Incorporation of the Company and this Prospectus.

A summary of the investment powers and restrictions applicable to the Company is set out in Appendix 2.

3. RISK FACTORS

Investors should bear in mind that all investment carries risk and in particular should be aware of the following:

- a) Past performance is not a guide to the future. The value of shares and the income derived from them can go down as well as up and as a result the investor may not get back the amount originally invested. This can be as a result of market movements and also of variations in the exchange rates between currencies. The ACD's initial charge (as set out under the heading "**The ACD's Charges and Expenses**") is deducted from an investment at the outset such that an equivalent rise in the value of the shares is required before the original investment can be recovered.
- b) In certain circumstances, for hedging purposes (as explained under the heading "Hedging") to reduce or eliminate risk arising from fluctuations in interest or exchange rates and in the price of investments, the Company may enter into certain derivatives transactions, including, without limitation, forward transactions, futures and options. The value of these investments may fluctuate significantly. By holding these types of investments there is a risk of capital depreciation in relation to certain Fund assets. There is also the potential for capital appreciation of such assets.
- c) The levels of relief from taxation will depend upon individual circumstances. Please note current tax levels and reliefs may change and their value will depend on the investor's individual circumstances.
- d) The investments of the Company are subject to normal market fluctuation and other risks inherent in investing in securities, whether equities or bonds. There can be no assurance that any appreciation in value of investments will occur, and the capital value of your original investment is not guaranteed. The value of investments and the income from them may go down as well as up, and you may not get back the original amount invested. There is no assurance that the investment objective of the Company will be actually achieved.
- e) Funds investing in equities tend to be more volatile than funds investing in bonds, but also offer greater potential for growth. The value of the underlying equity investments in the Company may fluctuate quite dramatically in response to activities and results of

individual companies, as well as in connection with general market and economic conditions.

- f) The ACD's ability to invest and to liquidate the assets of the Company in smaller companies may, from time to time, be restricted by the liquidity of the market for smaller company securities.
- g) Where a preliminary charge is imposed, an investor who redeems his shares after a short period may not get back the amount originally invested (even if the value of relevant investments has not fallen). The Shares should therefore be viewed as a medium to long-term investment.

Liabilities of the Company

Shareholders are not liable for the debts of the Company. Shareholders are not liable to make any further payment to the Company after they have paid the purchase price of the Shares.

Typical Investor

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

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

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

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

Class A Shares are intended for retail investors. Class B Shares are intended for larger investors who typically invest via an intermediary or financial adviser. Class P Shares are intended for large institutional investors and platforms. In each case investors will, subject to the ACD's discretion, need to meet the applicable investment requirements in Appendix 1.

SHARES

4. CLASSES OF SHARES

The Company is permitted to issue both Income and Accumulation Shares in accordance with the Instrument of Incorporation. Further details in relation to the Classes currently available in the Company, including as to minimum investment requirements and applicable charges, are set out in Appendix 1.

Holders of Income Shares are entitled to be paid the income attributable to such Shares in respect of each annual or interim accounting period.

Holders of accumulation Shares are not entitled to be paid the income attributable to such Shares, but that income is automatically added to (and retained as part of) the capital assets of the Company at the end of each annual or interim accounting period. The price of an accumulation Share increases to reflect accrued income.

Where the Company has more than one Class, each Class may attract different charges and expenses and so monies may be deducted from the Classes in unequal proportions. In these circumstances, the proportionate interests of the Classes within the Company will be adjusted accordingly.

The Instrument of Incorporation does not provide for bearer Shares and consequently none will be issued.

Shares in the Company are not listed or dealt in on any investment exchange.

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

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

5. REGISTER OF SHAREHOLDERS

All classes of Share are in registered, uncertificated form. Certificates will not be issued to Shareholders. The Registrar has established and maintains the register of Shareholders (the "**Register**") for the Company which is available for inspection at its office at Marlborough House, 59 Chorley New Road, Bolton, BL1 4QP during normal office hours. The Register shall be prima facie evidence as to the persons respectively entitled to the Shares entered in the Register. No notice of any trust, express, implied or constructive, shall be entered on the Register in respect of any share and the ACD and the Registrar shall not be bound by any such notice.

BUYING, SELLING AND SWITCHING SHARES

GENERAL

The ACD will receive requests for the issue, redemption and switching of shares between 9.00am and 5.00p.m on each Business Day, excluding UK public and bank holidays or any day on which the London Stock Exchange is not open and excluding the last trading day before the 25th December or any day on which the ACD has notified the Depositary that it is not open for normal business or otherwise agreed between the ACD and the Depositary.

MONEY LAUNDERING PREVENTION

The Company is subject to the UK's anti-Money Laundering Regulations and the ACD may in its absolute discretion require verification of identity from any person applying for shares (the "Applicant") including, without limitation, any Applicant who:

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

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

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

The ACD will, where possible, verify identity using information from credit reference agencies. Where this is not possible or where the ACD decides, at its own discretion, that it is appropriate further documentation will be requested.

MINIMUM INVESTMENTS AND HOLDINGS

These are set out in Appendix 1. The ACD has the discretion to waive these limits.

6. BUYING SHARES

Investors may request to purchase Shares in the company by application in writing or by telephone daily between 9.00a.m and 5.00p.m on each business Day. Shares may be purchased in the following manner:-

- a) **Application in Writing:** Investors should complete an application form, available from the ACD, with details of their bank account if income payments are required, and send it to the ACD with a cheque payable to Marlborough Fund Managers Limited. On acceptance of the application, Shares will be issued at the relevant price (see under the heading “Share Prices”) and a contract note (“Contract Note”) confirming the issue price and the number of Shares issued together with, in appropriate cases, a notice of the applicant’s right to cancel the application will normally be dispatched by close of business on the next Business Day.*
- b) **Application by Telephone:** Shares may be purchased by telephone either through a professional adviser or direct to the Dealing Department- telephone number 0808 145 2501. On acceptance of telephone instructions, Shares will be issued at the relevant price (see under the heading “Share Prices”), and a Contract Note will be dispatched. Payment is due on receipt of the Contract Note and cheques made payable to Marlborough Fund Managers Limited together with the Payment/Registration Instruction Form giving full registration details should be returned to the Registrar immediately.*

Shares will be allocated at the relevant price ruling at the next valuation point and entitlement to Shares will be entered on the Register immediately after the later of:

- (i) the time when the purchaser has supplied the Registrar with such information about the proposed holder as will enable the Registrar to complete entry on the Register;
- (ii) receipt of payment; and
- (iii) the expiry of any period during which the purchaser has a right to cancel the agreement for the purchase of the Shares pursuant to rules made under the Act.

The ACD reserves the right to reject any application for Shares in whole or in part in which case the application money or any balance will be returned by post at the risk of the applicant.

*Applications for in excess of £50,000 worth of Shares. Shares will be allocated at the relevant price ruling at the next valuation point after the relevant funds have cleared for such investment.

Any subscription monies remaining after a whole number of Shares have been purchased will be used to purchase fractions of whole Shares (known as “smaller denomination Shares”). A smaller denomination Share is equivalent to one-hundredth of a whole Share.

Default by a purchaser in payment of any moneys under the purchaser’s application will entitle the Depositary to cancel any rights of the purchaser in the Shares. In the case of default, the ACD will hold the purchaser liable or jointly and severally liable with any agent of the purchaser, for any loss sustained by the ACD as a consequence of a fall in the price of shares.

7. SELLING SHARES

Shareholders may request to sell their Shares in the Company in writing or by telephone daily between 9.00a.m and 5.00p.m on each Business Day. Shares may be sold in the following manner:-

- a) **Notice in Writing:** To sell shares, Shareholders can send signed, written selling instructions to the ACD at Marlborough House, 59 Chorley New Road, Bolton, BL1 4QP. The Shares will be repurchased from the Shareholder at the relevant price (see under the heading “Share Prices”)

- b) Notice by Telephone: Shares may be sold by telephone either through a professional adviser or direct to the Dealing Department – telephone number 0808 145 2501. On acceptance of these instructions, Shares will be sold at the relevant price (see under the heading “Share Prices”), and a Contract Note will be dispatched with a form of Renunciation. The Renunciation Form should be completed, signed and returned to the ACD. Proceeds of the sale (less, if the proceeds are to be remitted abroad, the cost of such remittance) will be paid into the selling Shareholder’s bank account, not later than the close of business on the fourth Business Day following receipt of the written instruction duly signed by the holder.

Requests to sell Shares are irrevocable. Significant delays in payment of the proceeds of sale can occur in cases where a holder has not advised the Registrar in advance of a change of address or bank account details.

Instances Where the ACD Does Not Have To Accept a Request to Sell Shares

The ACD will not be obliged to purchase Shares in the following circumstances:-

- a) if the number or value of Shares sought to be sold would result in the holder holding less than any number or value stated in Appendix 1 as the minimum number or value of Shares of the Class concerned that may be held, or
- b) if the Company ensures that the Shareholder is able to sell his Shares on an investment exchange at a price not significantly different from the price at which they would otherwise have been purchased by the ACD, or
- c) where Shares are sold in return for property transferred or sold under regulation 4.5.4 of the FCA Regulations (in specie cancellation). This is outlined below.

Payment on Selling Shares

Once a request to sell Shares has been agreed, the proceeds of the sale (less, where applicable, the cost of remitting the sum abroad) will normally be paid to the selling Shareholder by the close of business on the fourth Business Day next after the later of:-

- a) the valuation point immediately following receipt by the ACD of the request to sell, and
- b) the time when the ACD has received all duly executed instruments and authorisations as effect (or enable the ACD to effect) the transfer of title to the Shares.

Sale Proceeds

The amount to be paid by the ACD as the proceeds of a sale of Shares shall not be less than the price of a Share of the relevant Class to be notified to the Depositary in respect of the next valuation point less:-

- a) any redemption charge permitted.
- b) any dilution levy permitted, and
- c) any SDRT provision permitted.

Electronic Communication of Transfer / Renunciation of Title to Funds

The ACD may accept instructions to transfer or renounce title to Shares by electronic communication in certain, limited circumstances following our prior agreement which will only be given on a case by case basis. In such circumstances the ACD will accept electronic communication only where the ACD can satisfy itself that the communication is from the shareholder and is genuine. The ACD does not intend, however, to accept electronic instructions as a matter of course and will require signed, hard copy instructions in accordance with the above.

8. SWITCHING SHARES

Shareholders are entitled to switch some or all of their Shares of one Class (“Original Shares”) for Shares of another Class (“New Shares”). A switch involves the sale of the Original Shares and the purchase of the New Shares. The number of New Shares issued will be determined by

reference to the respective prices of New Shares and Original Shares at the valuation point applicable when the Original Shares are redeemed and the New Shares are issued.

Instructions for switching Shares may be given by telephoning the Dealing Department – telephone number 0808 145 2501, or in writing to the ACD.

The then prevailing preliminary charge on the New Shares will be payable on a switch but the ACD may at its discretion offer a discount on such preliminary charge. If a switch would result in the Shareholder holding a number of Original Shares or New Shares of a value which is less than the minimum holding, the ACD may, if it thinks fit, convert the whole of the Shareholder's holding of Original Shares to New Shares or refuse to effect any switch of the Original Shares. No switch will be made during any period when the right of Shareholders to require the redemption of their Shares is suspended. The general provisions on procedures relating to redemption will apply equally to a switch.

Shareholders subject to UK tax should note that a switch of Shares will not be treated as a disposal for the purposes of capital gains taxation.

Shareholders who switch Shares of one Class for Shares of any other Class will not be given a right by law to withdraw from or cancel the transaction.

9. ISSUE OF SHARES IN EXCHANGE FOR IN SPECIE ASSETS

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

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

The ACD will not issue Shares in exchange for assets the holding of which would be inconsistent with the investment objective of the company.

10. IN SPECIE CANCELLATION

If a Shareholder requests the redemption or cancellation of Shares, the ACD may, if it considers the deal substantial in relation to the total size of the company concerned, arrange for the Company to cancel Shares and transfer an appropriate amount of the Scheme 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 the 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 in its discretion agree an in specie cancellation with a Shareholder whose 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 Scheme Property (or the proceeds of sale of that 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. The Company retains from that property (or proceeds) the value (or amount) of any stamp duty reserve tax to be paid on the cancellation of Shares.

11. SUSPENSION OF DEALING IN SHARES

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

The ACD and the Depositary must ensure that the suspension is only allowed to continue for so long as it is justified having regard to the interests of shareholders. On the suspension, the ACD or the Depositary (if the Depositary has required the ACD to suspend dealings) will immediately

inform the FCA, stating the reason for the suspension, and will as soon as practicable give written confirmation of the suspension and the reasons for it to the FCA.

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

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

The ACD and the Depositary shall review the suspension at least every 28 days, and shall inform the FCA of the results of the review and any change to the information provided to the FCA in respect of the reasons for the suspension.

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

The ACD may agree, during the period in which dealing is suspended, to deal in shares in which case all deals accepted during, and outstanding prior to, the suspension will be undertaken at a price calculated by reference to the first valuation point after resumption of dealing. The recalculation of the share price will commence at or about the valuation point on the first Dealing Day following such period of suspension.

The provisions relating to suspension of dealings can apply only to one or more classes of shares without being applied to other classes if it is in the interests of all the shareholders.

12. DEFERRED REDEMPTION

In times of high levels of redemption, the ACD may, with the prior agreement of the Depositary, or shall if the Depositary so requires, permit deferral of redemptions to the next valuation point where the total value of the redemptions requested together represent over 10% of the Fund's net asset value. Subject to sufficient liquidity being raised at the next valuation point all redemption requests relating to the earlier valuation point will be completed before those relating to the later valuation point.

SHARE PRICES

13. PRICING BASIS

The Company deals on a forward pricing basis. A forward price is calculated at the next valuation of the Scheme Property after the purchase, sale or switch of Shares is agreed.

Shares are priced on a single, mid- market basis in accordance with the FCA Regulations. This means that subject to the dilution levy referred to below and the Manager's preliminary charge (explained in section 17), the price of a share for both buying and selling purposes will be the same and determined by reference to a particular valuation point.

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

- taking the value of the property attributable to the Company and therefore all shares (of the relevant class) in issue (on the basis of the Units of entitlement in the property of the Company attributable to that class at the most recent valuation of the Company); and
- dividing the result by the number of shares of the relevant class in issue immediately before the valuation concerned.

14. CALCULATION OF PRICES

Valuations

The price of a Share is calculated by reference to the Net Asset Value of the Company and the basis of calculation of Net Asset Value is summarised below. The ACD will carry out a valuation of the Company with the frequency and at the times detailed in Appendix 1.

Where the ACD has reasonable grounds to believe that:

- (a) no reasonable price exists for a security at a valuation point; or
- (b) the most recent price available does not reflect the ACD's best estimate of the value of a security at a valuation point;

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

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

Investors should bear in mind that, on purchase, the ACD's preliminary charge is added to the price of Shares and, on a sale, any applicable redemption charge will be deducted from the proceeds of the sale. In addition, for both purchases and sales by investors, there may be a dilution levy and an SDRT provision (details below).

Special Valuations

The ACD may carry out an additional valuation of the property of the Company at any time during a dealing day if he considers it desirable to do so and may carry out special valuations in the following circumstances:-

- a) on the last dealing day of the month at the close of the relevant market in order to ensure that performance comparisons with indices are on a like for like basis.
- b) where necessary for the purposes of effecting a Scheme of reconstruction or amalgamation; or on the day on which the annual or half-yearly accounting period ends.

The ACD is required to notify the Depositary if it carries out an additional valuation.

15. CALCULATION OF NET ASSET VALUE

The value of the property of the Company shall be the value of the relevant assets less the value of the relevant liabilities determined in accordance with the Company's Instrument of Incorporation. A summary of the provisions follows.

1. All the Scheme Property (including receivables) is to be included, subject to the following provisions.
2. Property which is not cash (or other assets dealt with in paragraph 3 below) or a contingent liability transaction shall be valued as follows and the prices used shall (subject as follows) be the most recent prices which it is practicable to obtain:
 - a) Units or shares in a collective investment Scheme:
 - i. if a single price for buying and selling Units or shares is quoted, at that price;
or
 - ii. if separate buying and selling prices are quoted, at the average of the two prices (provided the buying price has been reduced by any initial charge included therein and the selling price has been increased by any exit or redemption charge attribute thereto); or
 - iii. if, in the opinion of the ACD, the price obtained is unreliable or if no recent traded price is available or if no price exists, at a price which in the opinion of the ACD is fair and reasonable;

- b) any other transferable security:
 - i. if a single price for buying and selling the security is quoted, at that price; or
 - ii. if separate buying and selling prices are quoted, at the average of those two prices; or
 - iii. if, in the opinion of the ACD, the price obtained is unreliable or if no recent traded price is available or if no price exists, at a price which in the opinion of the ACD is fair and reasonable;
 - c) property other than that described in a) and b) above: at a price which, in the opinion of the ACD, is fair and reasonable
- 3) Cash amounts held in current and deposit accounts and in other time-related deposits shall be valued at their nominal values.
 - 4) Property which is a contingent liability transaction shall be related as follows:
 - a) if it is a written option (and the premium for writing the option has become part of the Scheme Property), the amount of the net valuation of the premium receivable shall be deducted;
 - b) if the property is an off-exchange future, the method of valuation shall be agreed between the ACD and Depositary;
 - c) if it is any other form of contingent liability transaction, it will be included at the net value of margin on closing out (whether as a positive or negative value).
 - 5) In determining the value of the Scheme property, all instructions given to issue or cancel Shares shall be assumed to have been carried out (and any cash paid or received)) whether or not this is the case.
 - 6) Subject to paragraphs 7 and 8 below, agreements for the unconditional sale or purchase of property which are in existence but uncompleted, shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and, in the opinion of the ACD, their omission will not materially affect the final net asset amount.
 - 7) Futures or contracts for differences which are not yet due to be performed and unexpired and unexercised written or purchased options shall not be included under paragraph 6.
 - 8) All agreements are to be included under paragraph 6 which are, or ought reasonably to have been, known to the person valuing the property.
 - 9) An estimated amount for the anticipated tax liabilities at that point in time, including (as applicable and without limitation) capital gains tax, income tax, corporation tax and advance corporation tax, value added tax, stamp duty and stamp duty reserve tax, will be deducted.
 - 10) An estimated amount for any liabilities payable out of the Scheme Property and any tax thereon will be deducted, treating periodic items as accruing from day to day.
 - 11) The principal amount of any outstanding borrowings (whenever repayable) and any accrued but unpaid interest on borrowings will be deducted.
 - 12) An estimated amount for accrued claims for tax of whatever nature which may be recoverable will be added.
 - 13) Any other credits or amounts received will be added.
 - 14) A sum representing any interest or any income accrued due or deemed to have accrued but not received will be added.
 - 15) The total amount of any cost determined to be, but not yet, amortised relating to the authorisation and incorporation of the Company and of its initial offer or issue of Shares will be added.

16. PUBLICATION OF PRICES

Details are set out in Appendix 1.

17. DILUTION LEVY AND LARGE DEALS

The actual cost of purchasing or selling investments may be higher or lower than the mid-market value used in calculating the share price – for example, due to dealing charges, or through dealing at prices other than the mid-market price. Under certain circumstances (for example, large volumes of deals) this may have an adverse effect on the shareholders' interest in the Company. In order to prevent this effect, called "dilution", the ACD has the power to charge a "dilution levy" on the sale and/or redemption of shares but does not at present intend to do so. As a dilution levy is not currently charged, the cost of purchasing or selling investments for the Company subsequent to shareholder dealing will be borne by the Company with a consequent effect on future growth. If the ACD decides in the future to charge a dilution levy, it will be calculated by reference to the costs of dealing in the underlying investments of the Company, including any dealing spreads, commission and transfer taxes.

The need to charge a dilution levy will depend on the volume of sales and redemptions. The ACD may charge a discretionary dilution levy on the sale and redemption of shares if, in its opinion, the existing shareholders (for sales) or remaining shareholders (for redemptions) might otherwise be adversely affected. In particular, the dilution levy may be charged in the following circumstances: where the Scheme property is in continual decline; if the Company experiences large levels of net sales relative to its size; on "large deals" (defined as a transaction or a series of transactions in one dealing period for a value of £100,000 or more); in any case where the ACD is of the opinion that the interests of remaining shareholders require the imposition of a dilution levy. It is therefore not possible to predict accurately whether a dilution levy would be applied at any point in time.

The ACD has no plans at present to introduce a dilution levy on the purchase or sale of shares. The ACD may alter its dilution policy only by shareholder consent pursuant to the passing of a resolution to that effect at a properly convened meeting of shareholders and by amending this Prospectus.

18. STAMP DUTY RESERVE TAX

There is no longer any Stamp Duty Reserve Tax ("SDRT") charge levied on the surrender of Shares in the Scheme, except in relation to certain transactions:

- Where the transaction is handled by the ACD there will continue to be no principal SDRT charge. However, where transactions are not handled by the ACD (i.e. a third party transfer where only beneficial ownership of the shares change) then the principal SDRT charge on agreements to transfer will still technically apply at 0.5% or at the higher rate (1.5%) if transferred into depositary receipt arrangements or clearance services.*
- In the case of an in-specie redemption which is not settled pro rata to the assets held by the Scheme. In that event, the redeeming Shareholder will be liable to SDRT at the rate of 0.5% of the value of the Shares surrendered.*

In the event of a change to UK law on SDRT, the ACD reserves the right to make a SDRT charge to the Shareholders or to the Scheme. A notification to Shareholders will be made in the event of such a change.

CHARGES AND EXPENSES

19. ACD'S CHARGES AND EXPENSES

Preliminary Charge

The ACD may make a preliminary charge which is added to the published purchase price of Shares (plus value added tax if any) excluding the amount of such charge. The current amount

applicable to each Share Class is set out in Appendix 1. Any increase from the current levels is subject to :-

- i. the ACD giving notice in writing of that increase and the date of its commencement to the Depositary and to all persons who ought reasonably to be known to the ACD to have made an arrangement for the purchase of Shares at regular intervals;
- ii. revision of the Prospectus to reflect the new current preliminary charge and the date of its commencement; and
- iii. the elapse of 60 days since the revised Prospectus became available.

Redemption Charge

The ACD may make a charge on the redemption of Shares in each Class. At present, no redemption charge is levied. The ACD may only introduce a redemption charge in accordance with the FCA Regulations. If such a charge was introduced, it would not apply to Shares issued before the date of the introduction.

Annual Management Charge

The ACD is entitled to make a periodic annual management charge (plus value added tax if any) of the value of the Scheme Property of the Company. The current amount applicable to each Share Class is set out in Appendix 1. The ACD reserves the right to review levels of charges. Any increase is subject to:-

- i. the ACD giving notice in writing to the Depositary and the Shareholders of his intention to increase the current annual management charge;
- ii. revision of the Prospectus to reflect the proposed increase; and
- iii. the elapse of 60 days since the revised Prospectus became available.

The annual management charge shall accrue daily and the calculation of the annual management charge is based upon the first or only valuation point on each Business Day. The annual management charge charged during a calendar month is paid to the ACD no more frequently than weekly. The annual management charge is payable to the ACD from the scheme property of the Company. Where the annual management charge will be taken from, either the capital or income, is detailed in Appendix 1.

20. DEPOSITARY'S CHARGES AND EXPENSES

The Depositary is remunerated out of the property of the Fund in respect of its services. The rate of the periodic fee is agreed between the ACD and the Depositary from time to time and the current sliding scale fee is as follows:

- 0.03% per annum of the first £200 million of the Scheme property;
- 0.015% per annum of the next £800 million of the Scheme property;
- 0.0075% per annum of the balance over £1 billion.

The Depositary's fee is paid monthly. The calculation of the Depositary's periodic fee is based upon the first or only valuation point on each Business Day. The Depositary's periodic fee charged during a calendar month is paid to the Depositary on or as soon as is reasonably practicable after the last Business Day of that calendar month.

In addition, the Depositary makes transaction charges and custody charges. These charges are of such amounts as may be agreed by the ACD and the Depositary. Transaction charges vary from country to country. Details of the ranges of charges based on geographic area are given below ("Activity fee"). Custody charges vary according to geographic location and market value of the holdings (calculated in the same manner as for the ACD's periodic charge). Similar details of the ranges of charges are set out below ("Safekeeping fee"). Charges for principal investment markets are:

Custody and Activity Fees

Geographic area	Safekeeping fee (BPS per annum)	Activity fee
United Kingdom (Crest Transaction)	0.60	£11.00
United Kingdom (Non Crest Transactions)	0.90	£20.00
United States of America	2.00	£20.00
Euroclear/Clearstream	2.50	£22.50
Europe	2.00 to 7.00	£22.50 to £45.00
Japan	3.00	£30.00
Other markets	2.50 to 15.00	£30.00 to £60.00

The activity fees and safe keeping fees can be increased on 60 days prior written notice to shareholders in accordance with COLL).

21. OTHER EXPENSES

In addition to the ACD's management charge and the fees and expenses of the Depositary, including those the Depositary incurs in the implementation of the Depositary Agreement, and any applicable value added tax thereon the following expenses may be paid out of the property of the Company:-

- a) brokers' commission (where permitted under the FCA Handbook), fiscal charges and other disbursements which are:-
 - i. necessarily incurred in effecting transactions for the Company, and
 - ii. normally shown in contract notes, confirmation notes and difference accounts as appropriate,
- b) interest on borrowings permitted under the Company's constitution and charges incurred in effecting or terminating or in negotiating or varying the terms of such borrowings,
- c) taxation and duties payable in respect of the property of the Company or the issue, cancellation or redemption of Shares in the Company (including, without limitation, any stamp duty or stamp duty reserve tax payable by the Company),
- d) any costs incurred in modifying the Instrument of Incorporation and the Prospectus, including costs incurred in respect of meetings of holders convened for purpose of approving such modifications,
- e) any costs incurred in respect of meetings of holders convened on a requisition by holders not including the ACD or an associate of the ACD,
- f) liabilities on amalgamation or reconstruction arising after the transfer of property to the Company in consideration for the issue of Shares as more fully described in the FCA Regulations,
- g) the audit fees and any proper expenses of the auditors and of tax, legal and other professional advisers to the Company,
- h) the fees of the FCA and any corresponding periodic fees of any regulatory authority in a country or territory outside the United Kingdom in which Shares in the Company are, or may, be marketed,
- i) any expenses or disbursements of the Depositary incurred in exercising any powers conferred upon the Depositary, or in performing any of the duties imposed upon it by the OEIC Regulations 2001, the FCA Regulations, the Instrument of Incorporation or by law, which duties may include:-
 - i. delivery of stock to the Depositary or custodian,

- ii. custody of assets,
 - iii. collection of income and capital,
 - iv. submission of tax returns,
 - v. handling tax claims,
 - vi. preparation of the Depositary's annual report, and
 - vii. such other duties as the Depositary is required by the OEIC Regulations 2001, the FCA Regulations, the Instrument of Incorporation or by law to perform,
- j) the fees and expenses payable by the ACD to the Registrar, up to a maximum of £25 per annum per shareholder, in respect of:-
- i. maintenance of the Register of Shareholders,
 - ii. preparation of financial statements for the Company,
 - iii. calculation of the prices of Shares,
 - iv. processing distributions and accumulations of income,
 - v. preparation of tax returns,
 - vi. all costs arising from the provision of facilities for dealing in the Company's Shares, and
 - vii. any expenses incurred by the Company in connection with the maintenance of its accounting and other books and records (including company secretarial duties),
- k) any costs arising in connection with the publication and despatch of the price of shares,
- l) all costs arising from despatch of the half-yearly and other reports of the Company,
- m) any costs incurred in connection with purchasing and maintaining insurance for the benefit of any person who is or was a director of the Company,
- n) such other expenses as the ACD resolves are properly payable out of the Company's property,
- o) any sum due or payable by virtue of any provision of the FCA Regulations,
- p) value added tax payable on these expenses where appropriate, and
- q) the costs of secretarial duties, maintenance of minute books etc.

Payments will be charged to the income of the company in accordance with the FCA Regulations.

INCOME

22. ACCOUNTING PERIODS

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

23. INCOME ALLOCATIONS

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

Distributions of income are paid half yearly on the allocation dates set out in Appendix 1.

The amount available for allocation in an accounting period is calculated by:-

- a) taking the aggregate of the income received or receivable for the accounting period,
- b) deducting the charges and expenses paid or payable out of income where appropriate for that accounting period, and
- c) make such adjustments as the ACD considers appropriate (and after consulting the

auditors as appropriate) in relation to tax and certain other issues.

Where Income Shares are available, payments will be made by bank automated credit system. Cheques will not be sent for new shareholders who invest after 19th July 2018. Where new shareholder's bank details are not known or are inaccurate, Accumulation Shares will be purchased, where available, otherwise any income from Income Shares will be reinvested.

If a distribution remains unclaimed for a period of six years after it has become due, it will be forfeited and will revert to the Company.

24. INCOME EQUALISATION

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

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

UK TAXATION

25. GENERAL

The taxation of both the Company and its 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. Prospective investors should consult their own professional advisers on the tax implications of making an investment in the Company, holding or disposing of shares and the receipts of distributions. The following summary is based on the taxation law and practice in force at the date of this prospectus, but prospective investors should be aware that the relevant fiscal rules or their interpretation are subject to change.

26. THE COMPANY

The UK tax regime applicable to the Company is primarily set out in Chapter 2 of Part 13 Corporation Tax Act 2010 and in the Authorised Investment Funds (Tax) Regulations 2006 (SI 2006/964) (the "Tax Regulations"). Each Fund is treated as a taxable entity in its own right and the Company as a whole is not so regarded. References to "the Company" in this section include references to each Fund.

The Company will be subject to corporation tax at a rate equal to the basic rate of income tax, currently 20%, on its taxable income from investments after relief for allowable expenses. Dividend distributions or yearly interest distributions received by the Company from other authorised investment funds (broadly UK OEICS and authorised unit trusts) will be taxed on the Company in accordance with rules described below.

The Company will not generally be subject to corporation tax on dividends and similar distributions from both United Kingdom and non-United Kingdom resident companies. To the extent that the Company receives income from, or realises gains on investments issued in, foreign countries, it may be subject to withholding tax or other taxation in those jurisdictions.

Where the Company distributes its income as yearly interest (as to which, see below) the amount of income so distributed will be deducted from the income of the Company in computing its liability to corporation tax.

As an OEIC, the Company will benefit from the exemption from corporation tax on chargeable gains in respect of disposals of its investments, and it is not entitled to corporation tax relief on losses which are treated as capital in nature. The Company will also not be subject to corporation tax on any profits or gains (or be entitled to corporation tax relief for any losses) which it derives from its creditor loan relationships or its derivative contracts, to the extent that those profits, gains

or losses are treated as capital in nature. Capital profits, gains or losses for this purpose are those profits, gains or losses arising from an OEIC's creditor loan relationships or derivative contracts which fall to be dealt with under either the heading "net gains/losses on investments during the period" or the heading "other gains/losses" in the OEIC's statement of total return for the accounting period in question.

Dependent upon the nature of the income arising within the Fund, the total amount shown in the distribution accounts of the Company is available for distribution to shareholders in one of two ways:

- (a) it may be shown as available for distribution as a dividend; or
- (b) it may be shown as available for distribution as yearly interest.

The Tax Regulations also provide that where an OEIC has different share classes there shall be no discrimination between participants in respect of different classes of shares, and accordingly it is not possible to make different types of distributions to different classes of shares within the Fund.

27. SHAREHOLDERS

The following is a general statement of current UK tax law and HM Revenue & Customs' published practice. Such law and practice may alter without prior warning. It does not describe the taxation treatment of shareholders which are subject to specific tax regimes or of persons resident in jurisdictions other than the United Kingdom. Shareholders are advised to consult their professional advisers as to their tax position in all circumstances.

28. TAXATION OF DISTRIBUTION

The type of distribution made by the Company may depend on its investments. If the investments attributable to the Fund were throughout any distribution period to consist of more than 60% by market value in "qualifying investments" (broadly meaning debt securities, money placed on interest (other than cash awaiting investment), building society shares or holdings in authorised unit trusts or OEICS with, broadly, more than 60% of their investments similarly invested), the Fund could distribute its income as yearly interest which would be paid under deduction of income tax at the basic rate, currently 20% (unless the shareholder has made a valid declaration that he is not ordinarily resident in the UK).

In such a situation, UK resident individuals and certain other shareholders liable to UK income tax will be taxable on the sum of their gross interest distributions received during the relevant tax year, but they will be entitled to use the income tax withheld as a credit against their UK income tax liability. Such withholding will satisfy the liability of lower and basic rate tax payers to tax on the income. Higher rate tax payers will have additional tax to pay. If the total income of the shareholder is less than his or her personal allowance, the tax withheld can be the subject of a repayment claim.

It is not the ACD's intention to manage the assets attributable to the Fund such that distributions are regarded as interest and tax is withheld.

Where the Company makes dividend distributions, dividends paid to individual shareholders resident in the United Kingdom for tax purposes will be treated in the same way as dividends received from a UK resident company and will have attached to them a tax credit equal to 10% of the grossed up dividend. Each Shareholder should be sent a tax voucher notifying them of the amount of the distribution and of the associated tax credit. Where the Company makes yearly interest distributions, such distributions should be treated in the same way as interest from a UK resident company. Each Shareholder should be sent a tax voucher notifying them of the amount of the distribution and of any tax deducted.

For Shareholders holding Accumulation Shares, the UK tax treatment will be the same as if they held Income Shares, albeit that they do not receive the income represented by the distribution at the time of that distribution and that income is instead re-invested. Such Shareholders will be treated for UK tax purposes as if they had received the re-invested income and should be issued with tax vouchers accordingly.

29. INDIVIDUALS

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

Shareholders who are not liable to pay income tax in respect of a dividend distribution, or any part thereof, will not be able to reclaim from HM Revenue & Customs the excess tax credit applicable to that distribution.

Shareholders may, depending on their circumstances, be liable to capital gains tax or corporation tax on chargeable gains arising from a disposal of any Shares. For these purposes, a disposal includes a sale or a redemption of shares. An exchange ("switching") between income shares and accumulation shares is usually treated as a disposal. Similarly an exchange of shares in the Company for shares in any other fund (where shares in more than one Fund are in issue) will be treated as a disposal and acquisition for those purposes. An exception to this rule applies when two Funds merge with a result that one Fund ceases to exist. Usually, in these circumstances, shares in the new Fund will be treated as having been acquired at the same time and for the same amount as share in the old Fund.

Proceeds on the redemption of shares are paid to Shareholders without deduction of tax. For Accumulation Shares, income accumulated and on which income tax or corporation tax on income has been paid can generally be added to the cost of those Accumulation Shares when computing the amount of any gain.

Individual Shareholders who are resident or ordinarily resident in the UK and Shareholders who are UK resident trustees may be liable to UK taxation on chargeable gains arising from a disposal of Shares. A Shareholder who is an individual who was resident or ordinarily resident in the UK for tax purposes and who disposes of shares during the 5 years after he ceases to be so resident or ordinarily resident may also be liable to UK taxation on chargeable gains. Chargeable gains for individuals will be taxed at a rate of 10% to the extent that total income and gains are less than the higher rate income tax threshold and 20% to the extent they exceed it. Each individual has an annual exemption, currently £12,000 (tax year 2019/2020), such that capital gains tax is chargeable only on net gains arising from all sources during the tax year in excess of this figure.

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

30. CORPORATE

Corporate shareholders resident in the United Kingdom for tax purposes will be subject to the corporate streaming rules in relation to any dividends received from the Company. Such dividends are "streamed" into unfranked and franked income depending on the relative proportions of franked and unfranked income comprised in the gross income of the Fund. Any deemed unfranked income will be treated as an annual payment from which income tax at a rate of 20% has been deducted and will be liable to corporation tax in the hands of any shareholders within the charge to corporation tax (this includes shareholders who are, themselves, either an OEIC or authorised unit trust). The remaining part of the dividend distribution (the "franked part") will be treated in the same way as a dividend from a UK resident company which is treated as exempt under Part 9A of CTA 2009. As such a Shareholder within the charge to UK corporation tax will not generally be charged to corporation tax on that part.

Details of the proportions of the franked and unfranked parts of dividend distributions comprising franked investment income and annual payments will be shown on the tax vouchers.

Shareholders who are resident in jurisdictions other than the UK for tax purposes will generally not be charged to UK income tax on a dividend distribution unless they are carrying on a trade in the UK through a permanent establishment. Their tax position is likely to depend on the law

and practice on taxation in the jurisdiction in which they are resident. They will not generally be entitled to reclaim the tax credit unless entitled to do so under the terms of any double taxation agreement between that jurisdiction and the UK. Non-UK resident shareholders are recommended to seek professional advice as to the tax consequences of receiving a dividend distribution under the law of the jurisdiction of their residence.

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

Any chargeable gains arising to United Kingdom resident corporate shareholders on a disposal of their shares in the Company will be subject to corporation tax.

An exchange of shares in one Fund for shares in another Fund will be treated as a disposal of the shares in the first Fund and a separate acquisition of shares in the second Fund. Any gain arising on a disposal of shares in a Fund will be subject to corporation tax. The exception described above under the heading "individuals" above where two Funds merge also applies to corporate shareholders.

31. EU SAVINGS DIRECTIVE

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

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

Under the UK's implementation, where savings income is paid by a paying agent established in the UK to an individual resident in another member state or prescribed territory, the paying agent is obliged to disclose details of the payment to the HM Revenue & Customs. The identity of the relevant paying agent depends on how a Shareholder purchases and holds shares. For Shareholders who purchase shares directly, the paying agent is likely to be the ACD.

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

32. ISAs

Shares attributable to the Fund will be eligible for inclusion within a stocks and shares ISA.

33. INCOME EQUALISATION

If a shareholder receives an amount of income equalisation this is treated for the purposes of both UK income tax and UK tax on chargeable gains as a refund of capital rather than a receipt of income. As such it is not liable to income tax. It should however be deducted from the cost of the shares when computing the base cost for any chargeable gain realised on the subsequent disposal of the shares. This is the case regardless of whether the shares in question are accumulation shares or income shares, and despite the fact that for accumulation shares the equalisation amount is reinvested.

APPENDIX 1: INVESTMENT OBJECTIVE AND POLICY

MFEM UK PRIMARY OPPORTUNITIES FUND - INVESTMENT OBJECTIVE AND POLICY

The Company aims to provide you with capital growth and investment income in total that is greater than that provided by the FTSE All Share Index by investing in a concentrated portfolio of companies carefully selected from the full range listed on the London Stock Exchange, or its equivalent successor.

The Company may invest in derivatives and forward transactions for the purposes of hedging only.

Assessing performance

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

The Fund will be managed so it is eligible for inclusion in the IA UK All Companies sector.

Valuation Point	Daily, excluding UK public and bank holidays or any day on which the London Stock Exchange is not open and excluding the last trading day before the 25 th December..	
Valuation Time	12 noon	
Price Published	Financial Times (income shares only), www.marlboroughfunds.com	
Types of Shares	Accumulation Shares	Income Shares
<u>A SHARES</u>		
Minimum Investment	£1,000	£1,000
Minimum Subsequent Investment	£1,000	£1,000
Minimum Withdrawal	£500	£500
Minimum Holding	£1,000	£1,000
ACD's Preliminary Charge	5.2%	5.2%
Annual Management Charge Charged to	1.5%	1.5%
	Income	Income
<u>B SHARES</u>		
Minimum Investment	£25,000	£25,000
Minimum Subsequent Investment	£1,000	£1,000
Minimum Withdrawal	£500	£500
Minimum Holding	£25,000	£25,000
ACD's Preliminary Charge	0%	0%
Annual Management Charge Charged to	1.0%	1.0%
	Income	Income
<u>P SHARES</u>		
Minimum Investment	£1,000,000	£1,000,000
Minimum Subsequent Investment	£1,000	£1,000
Minimum Withdrawal	£500	£500
Minimum Holding	£1,000,000	£1,000,000
ACD's Preliminary Charge	0%	0%
Annual Management Charge Charged to	0.75%	0.75%
	Income	Income
Annual Allocation Date	Accumulated 31 st March	31 st March
Interim Allocation Date	Accumulated 30 th September	30 th September
ISA Qualifying	Yes	Yes
Grouping periods for Income Equalisation	Annual Accounting Periods Interim Accounting Periods	

APPENDIX 2: INVESTMENT POWERS AND RESTRICTIONS

The property of the Company will be invested with the aim of achieving the investment objective of the Company as set out in Appendix 1 but subject to the limits applicable to UCITS Schemes under COLL as set out in the FCA Regulations. The investment limits are summarised below.

Save for any investment purchased or transaction entered into for the purposes of hedging the property of the Company may not include any investment to which a liability (whether actual or contingent) is attached unless the maximum amount of such liability is ascertained at the time when such investment is acquired for the account of the Company.

Transferable securities

Up to 100% of the Scheme Property of the Company may be invested in “approved securities” which are transferable securities admitted to official listing in a Member State of the European Union or in any other state within the European Economic Area, or transferable securities traded on or under rules of an eligible securities market (see below).

For the purposes of COLL a transferable security is an investment which is either a share, debenture, a government and public security, a warrant or a certificate representing certain securities.

The Transferable Securities in which the Fund may invest must meet the following criteria:

- the potential loss which the Fund may incur with respect to the holding the transferable security is limited to the amount paid for it;
- its liquidity does not compromise the ability of the Manager to comply with its obligation to redeem units at the request of any qualifying unitholder;
- reliable valuation is available for the transferable securities 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 independent research;
- appropriate information is available for the transferable security 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 Manager on the transferable security or, where relevant, on the portfolio of the transferable security;
- it is negotiable; and
- its risks are adequately captured by the risk management process of the Manager.

Unless there is information available to the Manager 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 Manager to comply with its obligation to redeem shares at the request of any qualifying unitholder; and to be negotiable.

Closed End Funds Constituting Transferable Securities

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

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

ELIGIBLE MARKETS

Eligible securities markets are:

- a) The UK markets, the London Stock Exchange and the Alternative Investment Market (AIM), and
- b) markets established in member states of the European Union or in any other state within the European Economic Area on which transferable securities admitted to official listing in these states are dealt or traded, (which as at the date of this Prospectus includes Austria, Belgium, Bulgaria, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Republic of Cyprus, Romania, Slovakia, Slovenia, Spain, Sweden and the UK), and
- c) those securities and derivatives markets which the ACD, after consultation with the Depositary, has decided are appropriate for the purpose of investment of or dealing in the property of the Company having regard to the relevant criteria in the FCA Regulations and Guidance from the FCA. These markets must operate regularly and be regulated, recognised and open to the public. The ACD has decided that the ICE Futures Europe is the only appropriate eligible derivatives market for the Company.

Additions to Eligible Markets

Further eligible securities markets may be added for the Company if:

- a) the ACD and the Depositary agree in writing that the addition is of minimal significance to the investment strategy of the Company; or
- b) the ACD has, not less than 60 days before the intended change, given notice of the proposed addition to the Depositary and to the Shareholders in the Company, and has revised this Prospectus to reflect the intended change and the date of its commencement; or
- c) approved by a resolution of Shareholders of the Company.

Up to 10% of the value of the Company may be invested in transferable securities which are not approved securities (essentially unlisted securities).

INVESTMENT RESTRICTIONS

The following are limitations on the investments which may be included in the Scheme Property:-

- a) Not more than 10% in value of the property of the Company may be invested in transferable securities which are not approved securities.

- b) Except for Government and other public securities, not more than 5% in value of the property of the Company may be invested in securities issued by the same issuer; although this may be increased to 10% provided that the total value of the securities exceeding 5% of the property of the Company does not exceed 40% in value of the property of the Company.
- c) Not more than 5% of the shares carrying the right to vote in all circumstances at general meetings; not more than 10% of the shares with partial or occasional voting rights; and not more than 10% of any other shares of a body corporate may be acquired by the Company.
- d) Not more than 5% of the shares in a collective investment Scheme or 10% of the non-convertible or convertible debentures of a private issuer may be acquired by the Company.
- e) Up to 35% of the Scheme property may consist of one or more government and public securities issued or guaranteed by any one person. Subject to this, there is no limit on the amount which may be invested in such securities issued or guaranteed by any one person or of any one issue (or guarantee).
- f) not more than 20% in the value of the scheme property is to consist of any combination of two or more of the following:
 - (a) transferable securities (including covered bonds) or money market instruments issued by; or
 - (b) deposits made with; or
 - (c) exposures from over the counter derivatives transactions made with a single body.
- g) In applying any limit to transferable securities or money market instruments, any certificates representing certain securities are to be treated as equivalent to the underlying security.
- h) The exposure to any one counterparty in an over the counter derivative transaction must not exceed 5% in value of the scheme property. This limit may be raised to 10% where the counterparty is an approved bank as defined in COLL. Exposure in respect of an over the counter derivative may be reduced to the extent that collateral is held in respect of it if the collateral complies with COLL, as summarised below.

Other Investment Limitations

In addition, not more than 5% in value of the property of the Company may be invested in Units or shares of other collective investment Schemes. Not more than 5% in value of the property of the Company may consist of Units or shares in any one collective investment Scheme.

The Company must not invest in Units or shares of a collective investment Scheme (the "second Scheme") unless the second Scheme satisfies the conditions referred to below and provided that no more than 30% of the value of the scheme property attributed to the Company is invested in second schemes within categories (b) to (e) below.

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

- (a) A Scheme which satisfies the conditions necessary for it to enjoy the rights conferred by the UCITS Directive;
- (b) A Scheme which is a recognised Scheme under the provisions of section 270 of the Act (Schemes authorised in designated countries or territories);
- (c) A Scheme which is authorised as a non-UCITS retail Scheme (as defined in COLL) and in respect of which the requirements of article 19(1)(e) of the UCITS Directive are met;
- (d) A Scheme which is authorised in another EEA state (and in respect of which the requirements of article 19(1)(e) of the UCITS Directive are met);

- (e) A Scheme which is authorised by the competent authority of an OECD member country (other than another EEA State) which has:
 - (i) signed the IOSCO Multilateral Memorandum of Understanding; and
 - (ii) approved the scheme's management company, rules and depositary/custody arrangements.

The second Scheme must comply, where relevant, with those COLL provisions regarding investment in other group Schemes and associated Schemes. The second Scheme must have terms which prohibit more than 10% in value of the Scheme property consisting of Units in collective investment Schemes. Where the second scheme is an umbrella, the provisions in this paragraph apply to each sub-fund as if it were a second scheme.

The Company may invest in shares or units of collective investment schemes which are managed or operated by (or, in the case of companies incorporated under the OEIC Regulations, have as their authorised corporate director) the Manger or an associate of the Manager. However, if the Fund invests in units in another collective investment scheme managed or operated by the Manager or by an associate of the Manager, the Manager must pay into the property of the Fund before the close of the business on the fourth business day after the agreement to invest or dispose of units:

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

The property of the Company may include nil and partly paid securities only 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 FCA Regulations. Similarly, up to 5% of the property of the Company may consist of warrants, subject to it being reasonably foreseeable that any subscription rights could be exercised without contravening other investment limits affecting the Company.

Underwriting and placing contracts in respect of transferable securities may be entered into with the agreement of the Depositary but the investment limitations in the FCA Regulations shall not be exceeded as a result of such contracts.

The property of the Company may consist of cash and near cash where this may reasonably be regarded as necessary in order to enable redemption of Shares, efficient management of the Company in accordance with its objectives or other purposes which may reasonably be regarded as ancillary to the objectives of the Company. Within the context of the ACD's policy of active asset allocation the liquidity of the Company may vary in response to market conditions. Where the ACD considers that a defensive investment strategy is appropriate, cash and near cash may comprise up to 20% by value of the property of the Company. This range may be exceeded in exceptional circumstances.

Interests in Immovable and Tangible Movable Property

The Company will not have any interest in any immovable property (for example its office) or tangible movable property (for example its office equipment).

HEDGING

The Company may use its property to enter into transactions for the purposes of hedging. The ACD does not anticipate the intended use of derivatives and forward transactions to have any detrimental effect on the overall risk profile of the Company. Permitted hedging transactions (excluding stocklending transactions) are transactions in derivatives (i.e. options, futures or contracts for differences) dealt in or traded on approved derivatives markets; off-exchange options or contracts for differences resembling options, or synthetic futures in certain circumstances.

The Company may enter into approved derivatives transactions on eligible derivatives markets. Eligible derivatives markets are derivatives markets which the ACD, after consultation with the Depositary, has decided are appropriate for the purpose of investment of or dealing in the Scheme Property with regard to the relevant criteria set out in the FCA Regulations and the guidance on eligible markets issued by the FCA (as amended from time to time).

Any forward transaction must be with an approved counterparty. A derivatives or forward transaction which would or could lead to delivery of Scheme Property to the Depositary in respect of the Company may be entered into only if such Scheme Property can be held by the Company and the ACD reasonably believes that delivery of the property pursuant to the transaction will not lead to a breach of the FCA Regulations.

There is no limit on the amount of the Scheme Property which may be used for hedging, but the transactions must satisfy three broad requirements as set out below.

1. A transaction must be reasonably believed by the ACD to be economically appropriate for the efficient portfolio management of the Company. This means that for transactions undertaken to reduce risk or cost (or both), the transaction alone or in combination will diminish a risk or cost of a kind or level which it is sensible to reduce, and, for a transaction undertaken to generate additional capital or income, the Company is certain (or barring events which are not reasonably foreseeable) to derive a benefit from the transaction.
2. The purpose of the hedging transaction must be to achieve one of the following aims:
 - a) reducing risk;
 - b) reducing cost; or
 - c) generating additional capital or income for the Company with no, or an acceptably low, level of risk. There is an acceptably low level of risk in any case where the ACD reasonably believes that the Company is certain (or certain barring events which are not reasonably foreseeable) to derive a benefit.
3. Each hedging transaction must be fully covered by cash, near cash or other property sufficient to meet any obligation which could arise.

Hedging transactions generally and also hedging transactions against either price or currency fluctuations may include, for example, the purchase or writing of traded options or certain instruments other than traded options which are traded on or under the rules of an approved options and futures market or instruments utilised to hedge against fluctuations in exchange rates.

Permitted Transactions (derivatives and forwards)

Derivatives transactions must either be in approved derivatives (being a derivative which is traded or dealt in on an eligible derivatives market as set out above) or an over the counter derivative with an approved counterparty in accordance with COLL.

A transaction in a derivative must not cause the Fund to diverge from its investment objectives As stated in the Instrument and the most recently published version of this prospectus. The underlying assets of a transaction in a derivative may only consist of any one or more of the following:

- transferable securities;
- approved money market instruments;
- deposits;
- derivatives;
- collective investment schemes;
- financial indices;
- interest rates;
- foreign exchange rates; and
- currencies.

A transaction in a derivative must not be entered into if the intended effect is to create the potential for an uncovered sale of one or more transferable securities, approved money market instruments, units in collective investment schemes or derivatives provided that a sale is not to be considered as uncovered if the conditions in COLL 5.2.22(3)R are (Requirement to cover sales) are satisfied.

Any forwards transaction must be made with an eligible institution or an approved bank in accordance with COLL.

A derivative or forward transaction which will or could lead to the delivery of property for the account of the Fund may be entered into only if:

- (i) that property can be held for the account of the Fund; and
- (ii) 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 COLL.

The Fund may not undertake transactions in derivatives on commodities.

Requirement to cover sales

No agreement by or on behalf of the Fund to dispose of property or rights may be made unless:

- (a) the obligation to make the disposal and any other similar obligations could immediately be honoured by the Fund by delivery of property or the assignment of rights (or, in Scotland, assignation), and the property; and
- (b) rights above are owned by the Fund at the time of the agreement.

This requirement does not apply to a deposit. FCA guidance states that the requirement set out at (a) above can be met where:

- (a) the risks of the underlying financial instrument of a derivative can be appropriately represented by another financial instrument which is highly liquid;
- (b) the ACD or the Depositary has the right to settle the derivative in cash, and cover exits within the scheme property which falls within one of the following asset classes:
 - (i) cash;
 - (ii) liquid debt instruments (e.g. government bonds of first credit rating) with appropriate safeguards (in particular, haircuts); or
 - (iii) other highly liquid assets having regard to their correlation with the underlying of the financial derivative instruments, subject to appropriate safeguards (haircuts where relevant).

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

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

Any transaction in an OTC derivative must be:

- (a) with an approved counterparty: A counterparty to a transaction in derivatives is approved only if the counterparty is an eligible institution or an approved bank or a person whose permission (including any requirements or limitations) as published in the FCA register, or whose home state authorisation, permits it to enter into such transactions as principal off exchange;
- (b) on approved terms: The terms of a transaction in derivatives are approved only if the ACD:
 - (i) carries out at least daily a reliable and verifiable valuation in respect of that transaction corresponding to its fair value and which does not rely only on market quotations by the counterparty; and
 - (ii) can enter into one or more further transactions to sell, liquidate or close out that transaction at any time, at its fair value;

(c) capable of reliable valuation: A transaction in derivatives is capable of reliable valuation only if the ACD having taken reasonable care determines that, throughout the life of the derivative (if the transaction is entered into), it will be able to value the investment concerned with reasonable accuracy:

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

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

(d) subject to verifiable valuation: A transaction in derivatives is subject to verifiable valuation only if, throughout the life of the derivative (if the transaction is entered into) verification of the valuation is carried out by:

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

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

For the purposes of paragraph (b) above, "fair value" is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arms' length transaction.

The Depositary must take reasonable care to ensure that the ACD has systems and controls that are adequate to ensure compliance with (a) to (d) above.

For the purposes of paragraph (b) the ACD must: (a) establish, implement and maintain arrangements and procedures which ensure appropriate, transparent and fair valuation of the exposure of the Company to OTC derivatives; and (b) ensure that the fair value of OTC derivatives is subject to adequate, accurate and independent assessment. Such arrangements and procedures must be adequate and proportionate to the nature and complexity of the OTC derivative concerned and adequately documented.

Derivative exposure

The Fund may invest in derivatives and forward transactions only where the exposure to which the Fund is committed by that transaction itself is suitably covered from within the scheme property. Exposure will include any initial outlay in respect of that transaction.

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

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

Cover for transaction in derivatives and forward transactions

Global exposure relating to derivatives and forward transactions held in the Company must not exceed the net value of the scheme property. Global exposure of the Company must be calculated on an at least daily basis, and must take into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions and includes underwriting commitments.

Property the subject of a transaction under COLL 5.4 (stock lending is only available for cover if the ACD has taken reasonable care to determine that it is obtainable (by return or re-acquisition) in time to meet the obligation for which cover is required.

The global exposure of the Company must be calculated either as (i) the incremental exposure and leverage generated through the use of derivatives and forward transactions (including embedded derivatives), which may not exceed 100% of the net value of the scheme property; or (ii) the market risk of the scheme property (being the risk of loss of the Company resulting from

the fluctuation in the market value of positions in the Company's portfolio attributable to changes in market variables, such as interest rates, foreign exchange rates, equity and commodity prices or an issuer's credit worthiness).

The commitment approach

The global exposure of the Company is calculated by using the commitment approach in accordance with COLL. The ACD must:

- ensure that it applies this approach to all derivative and forward transactions (including embedded derivatives, as described above), whether used as part of the Fund's investment policy, for the purposes of risk reduction or for the purposes of efficient portfolio management; and
- convert each derivative or forward transaction into the market value of an equivalent position in the underlying asset of that derivative or forward.

(the "standard commitment approach").

The ACD may apply other calculation methods which are equivalent to the standard commitment approach. The ACD may also take account of netting and hedging arrangements when calculating the global exposure of the Fund, where such arrangements do not disregard obvious and material risks, and result in a clear reduction of risk exposure.

Where the use of derivatives or forward transactions does not generate incremental exposure for the Fund, the underlying exposure need not be included in the commitment calculation.

Where the commitment approach is used, temporary borrowing arrangements entered into on behalf of the Fund (see below under "borrowing") need not form part of the global exposure calculation.

Risk Management

The ACD uses a risk management process enabling it to monitor and measure at any time 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 regularly notified by the ACD to the FCA (and at least on an annual basis):

- (a) the methods for estimating risks in derivative and forward transactions; and
- (b) a true and fair view of the types of derivatives and forwards transactions to be used within the Company together with their underlying risks and any relevant quantitative limits.

In addition in accordance with COLL the ACD maintains a written risk management policy which identifies the risks which the Company is or might be exposed to, and contains procedures which are intended to enable the ACD to assess and manage the exposure of the Company to material risks.

STOCKLENDING

As an extension of hedging, the Company, or the Depositary at the Company's request, may enter into certain stocklending arrangements in respect of the Company. The ACD does not currently intend to enter into stocklending arrangements.

There is no limit on the value of the property of the Company which may be the subject of stocklending arrangements. However, such arrangements must comply with the requirements of the Taxation of Chargeable Gains Act 1992 and with the relevant requirements of the FCA Regulations and the guidance on stocklending issued by the FCA (as amended from time to time).

BORROWING POWERS

The ACD may borrow money for the use of the Company from an eligible institution (which is a credit institution as defined in the First Banking Co-Ordination Directive of the European Union) on terms that the borrowing is to be repayable out of the Scheme Property. Borrowings may be arranged with the Depositary, which is an eligible institution. The ACD must ensure that any such borrowings comply with FCA Regulations.

Borrowing must be on a temporary basis and in any event must not exceed three months without the prior consent of the Depositary. The Depositary's consent may be given only on conditions which appear appropriate to the Depositary to ensure that the borrowing remains on a temporary basis. The ACD must ensure that borrowing does not exceed 10% of the value of the property of the Company on any Business Day.

The borrowing restrictions do not apply to "back to back" borrowing for currency hedging purposes i.e. borrowing permitted to reduce or eliminate risk arising by reason of fluctuations in exchange rates.

BREACHES OF THE INVESTMENT AND BORROWING POWERS AND LIMITS

Generally the ACD must, at its own expense, take action to rectify a breach of the investment and borrowing powers and limits as soon as it becomes aware of it. However:-

- a) if the reason for the breach is beyond the control of the ACD and the Depositary, the ACD must take the steps necessary to rectify the breach as soon as is reasonably practicable having regard to the interests of Shareholders (and, in any event, within six months or, if it is an hedging transaction, within five business days), and
- b) a potential breach of any of these limits does not prevent the exercise of rights conferred by investments held by the Company if the prior written consent of the Depositary is obtained, but, in the event of a consequent breach, the ACD must then take the steps necessary to rectify the breach as soon as is reasonably practicable having regard to the interest of Shareholders (as above).

APPENDIX 3: MANAGEMENT AND ADMINISTRATION

AUTHORISED CORPORATE DIRECTOR

The ACD of the Company is Marlborough Fund Managers Limited, a private company limited by shares incorporated in England and Wales on 3rd October 1986. The ultimate holding company of the ACD is UFC Fund Management plc which is incorporated in England and Wales.

The ACD is regulated by the FCA and is authorised to carry on investment business in the United Kingdom.

The amount of the issued and fully paid share capital of the ACD is £50,000

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

In accordance with the FCA Regulations, the ACD has delegated the investment management function to RC Brown Investment Management PLC.

When managing investments of the Company, the ACD will not be obliged to make use of information which in doing so would be a breach of duty or confidence to any other person or which comes to the notice of an employee or agent of the ACD but properly does not come to the notice of an individual managing the assets of the Company.

Terms of Appointment

The ACD is responsible for managing and administering the Company's affairs under the terms of the ACD agreement (the "**ACD Agreement**") in accordance with the FCA Regulations.

The ACD agreement provides that the ACD's appointment may be terminated upon 12 months written notice by either the ACD or the Company, although in certain circumstances the agreement may be terminated forthwith by written notice. Termination cannot take effect until the FCA has approved the change of director. The ACD Agreement terminates automatically if the ACD ceases to be director of the Company or, if the Company is wound up.

The ACD Agreement includes an indemnity from the Company to the ACD in respect of liabilities incurred by the ACD by reasons of the ACD's performance of its duties in accordance with the terms of the ACD Agreement.

The ACD has pursuant to the ACD Agreement delegated to RC Brown Investment Management PLC the investment management of the Company. In accordance with the FCA's Regulation the ACD may terminate these arrangements with immediate effect where it is in the interest of the Shareholders to do so.

The ACD is Authorised and regulated by the FCA.

Remuneration Policy

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

The matters covered by the Remuneration Policy include:

- An assessment of the individual member of staff's performance;
- restrictions on the awarding of guaranteed variable remuneration;
- the balance between fixed and variable remuneration;
- any payment of remuneration in the form of units or shares in the Funds;

- any mandatory deferral periods for the payment of some or all of the variable remuneration component;
- the reduction or cancellation of remuneration in the case of under performance.

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

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

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

THE DEPOSITARY

Terms of appointment

Pursuant to the agreement dated 18th March 2016 between the Company, the ACD and the Depositary (the "Depositary Services Agreement") and for the purposes of and in compliance with the FCA Regulations, the Depositary has been appointed as the Depositary to the Company. The appointment of the Depositary under the Depositary Services Agreement may be terminated without cause by not less than 6 months written notice provided that the Depositary Services Agreement does not terminate until a replacement Depositary has been appointed.

The Depositary, HSBC Bank plc, is a public limited company incorporated in England and Wales with company registration number 00014259. HSBC Bank plc is a wholly owned subsidiary of HSBC Holdings plc. The Depositary's registered and head office is located at 8 Canada Square, London E14 5HQ and the principal business activity of the Depositary is the provision of financial services, including trustee and depositary services. The Depositary is authorised by the Prudential Regulation Authority and regulated by the Prudential Regulation Authority and the Financial Conduct Authority.

The fees to which the Depositary is entitled are set out below under the heading "Depositary's Charges and Expenses".

Key Duties of the Depositary

The Depositary provides services to the Company as set out in the Depositary Services Agreement and, in doing so, shall comply with the FCA Regulations. The Depositary's duties include the following:

- (i) ensuring that the Fund's cash flows are properly monitored and that all payments made by or on behalf of applicants upon the subscription to shares of the Funds have been received.
- (ii) safekeeping of the Schemes Property, which includes (i) holding in custody all financial instruments that can be registered in a financial instrument account opened in the Depositary's books and all financial instruments that can be physically delivered to the Depositary; and (ii) verifying the ownership of other assets and maintaining records accordingly.
- (iii) ensuring that issues, redemptions and cancellations of the shares of each Fund are carried out in accordance with the Instrument of Incorporation, the Prospectus and the FCA Regulations.
- (iv) ensuring that in transactions involving Scheme Property any consideration is remitted to the Fund within the usual time limits.

- (v) ensuring that the value of the shares of the Funds is calculated in accordance with the FCA Regulations.
- (vi) carrying out the instructions of the ACD unless they conflict with the Instrument of Incorporation, the Prospectus or the FCA Regulations.
- (vii) ensuring that a Fund's income is applied in accordance with the FCA Regulations.

Delegation of safekeeping function

The Depositary may delegate its safekeeping functions subject to the terms of the Depositary Services Agreement. The Depositary has delegated to a number of delegates the custody of certain Scheme Property entrusted to the Depositary for safekeeping in accordance with the terms of written agreements between the Depositary and those delegates.

A list of delegates is set out below under the heading "List of Depositary Delegates". Shareholders should note that the list of delegates is updated only at each Prospectus review.

Conflicts

From time to time actual or potential conflicts of interest may arise between the Depositary and its delegates. For example, such conflicts may arise; (i) where an appointed delegate is an affiliated group company and is providing a product or service to the Company and has a financial or business interest in such product or service; or, (ii) where an appointed delegate is an affiliated group company which receives remuneration for other related products or services it provides to the Company. The Depositary maintains a conflict of interest policy to address this.

In addition, actual or potential conflicts of interest may also arise between the Company, the Shareholders or the ACD on the one hand and the Depositary on the other hand. For example, such actual or potential conflict may arise because the Depositary is part of a legal entity or is related to a legal entity which provides other products or services to the Company and from which fees and profits in relation to the provision of those products or services may arise and from which the Depositary may benefit directly or indirectly. In addition, the Depositary may have a financial or business interest in the provision of such products or services, or receives remuneration for related products or services provided to the Company or may have other clients whose interests may conflict with those of the Company, the Shareholders or the ACD.

In particular, HSBC Bank plc may provide foreign exchange services to the Company for which they are remunerated out of the property of the Company. HSBC Bank plc or any of its affiliates or connected persons may also act as market maker in the investments of the Company; provides broking services to the Company and/or to other funds or companies; acts as financial adviser, banker, derivatives counterparty or otherwise provides services to the issuer of the investments of the Company; acts in the same transaction as agent for more than one client; has a material interest in the issue of the investments of the Company; or earns profits from or has a financial or business interest in any of these activities.

The Depositary will ensure that any such additional services provided by it or its affiliates are on terms which are not materially less favourable to the Company than if the conflict or potential conflict had not existed.

The Depositary has a conflict of interest policy in place to identify, manage and monitor on an on-going basis any actual or potential conflict of interest. The Depositary has functionally and hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks. The system of internal controls, the different reporting lines, the allocation of tasks and the management reporting allow potential conflicts of interest and the Depositary issues to be properly identified, managed and monitored.

Liability of the Depositary

In general, the Depositary is liable for losses suffered by the Funds as a result of its negligence or wilful default to properly fulfil its obligations. Subject to the paragraph below, and pursuant to the Depositary Services Agreement, the Depositary will be liable to the Funds for the loss of financial instruments of the Funds which are held in its custody. The Depositary will not be indemnified out of the Scheme Property for the loss of financial instruments where it is so liable.

The liability of the Depository will not be affected by the fact that it has delegated safekeeping to a third party.

The Depository will not be liable where the loss of financial instruments arises as a result of an external event beyond the reasonable control of the Depository, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. The Depository shall not be liable for any indirect, special or consequential loss.

In the event there are any changes to the Depository's liability under the FCA Regulations, the ACD will inform shareholders of such changes without delay.

Shareholders have no personal right to directly enforce any rights or obligations under the Depository Services Agreement.

Updated Information

Up to date information regarding the name of the Depository, any conflicts of interest and delegations of the Depository's safekeeping functions will be made available to shareholders upon written request to the ACD.

List of Depository Delegates

Depository Delegates	
Austria	HSBC Trinkaus & Burkhardt AG
Austria	Erste Group Bank Ag
Belgium	BNP Paribas Securities Services (Belgium)
Belgium	Euroclear Bank S.A./N.V.
Bulgaria	UniCredit Bulbank AD
Cost Rica	Banco Nacional De Costa Rica
Croatia	Privredna Banka Zagreb
Cyprus	HSBC Bank Plc, Athens
Czech Republic	Ceskoslovenska Obchodni Banka
Czech Republic	Unicredit Bank Czech Republic, A.S.
Denmark	Skandinaviska Enskilda Banken AB (publ), Copenhagen Branch
Estonia	AS SEB Pank
Finland	Skandinaviska Enskilda Banken AB (publ.), Helsinki Branch
France	CACEIS Bank
France	BNP Paribas Securities Services (France)
Germany	HSBC Trinkaus & Burkhardt
Greece	HSBC Bank Plc
Hungary	Unicredit Bank Hungary Zrt
Ireland	HSBC Bank Plc
Italy	BNP Paribas Securities Services (Italy)
Latvia	AS SEB Banka
Lithuania	SEB Bankas
Luxembourg	Clearstream Banking SA
Netherlands	BNP Paribas Securities Services (Netherlands)
Norway	Skandinaviska Enskilda Banken AB (publ) Oslo Branch

Poland	Bank Polska Kasa Opieki SA
Portugal	BNP Paribas Securities Services (Portugal)
Romania	Citibank Europe plc, Romania branch
Slovakia	Ceskoslovenska Obchodna Banka A.S.
Slovenia	Unicredit Banka Slovenija DD
Spain	BNP Paribas Securities Services (Spain)
Sweden	Skandinaviska Enskilda Banken AB (publ.)
United Kingdom	Deutsche Bank AG (London Branch)
United Kingdom	JPMorgan Chase Bank NA (London)
United Kingdom	HSBC Bank Plc (UK)
United Kingdom	State Street Bank & Trust Co (UK)
United Kingdom	UBS AG, London branch

THE INVESTMENT ADVISER

Pursuant to an agreement between the Investment Adviser and the ACD, Investment Adviser provides general discretionary investment management services in respect of the Company. The Investment Adviser has the authority to make decisions on behalf of the ACD in relation to the Company's investments subject always to the provisions of the Instrument of Incorporation of the Company, this Prospectus, the FCA Regulations and the investment objective and policy of the Company. Subject to instances where the agreement may be terminated with immediate effect in the interests of the shareholders, this arrangement may be terminated by either party giving the other no less than 36 months' written notice or earlier upon the happening of certain specified events.

THE AUDITORS

The auditors of the Company are Barlow Andrews, 78 Chorley New Road, Bolton, BL1 4BY.

GENERAL

The Company, the ACD and the Depositary must each comply with the relevant requirements of the FCA Regulations in a timely manner unless delay is lawful and also in the interests of the Company.

The ACD and the Depositary may retain the services of the other, or of third parties, to assist them in fulfilling their respective roles. The only exceptions to this are:-

- a) that the Depositary may not delegate oversight of the Company to the Company, the ACD or any associate of the Company or of the ACD, or custody or control of the Scheme Property to the Company or the ACD; and
- b) any delegation of custody of the Scheme Property must be under arrangements which allow the custodian to release documents into the possession of a third party only with the Depositary's consent.

Where functions are performed by third parties, the ACD remains responsible for the management of the Scheme Property and if the third party is an associate, any other functions which are within the role of the ACD.

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

The ACD is under no obligation to account to the Depositary or to the participants in the Company for any profit or loss made on the issue of Shares or in the re-issue or cancellation of Shares which have been redeemed, and accordingly will not do so.

The Depositary may, from time to time, act as the Depositary of other investment companies with variable capital.

APPENDIX 4: GENERAL INFORMATION

REGISTER OF SHAREHOLDERS

The register of shareholders and a register of Marlborough ISA holders are maintained by the Registrar at Marlborough House, 59 Chorley New Road, Bolton, BL1 4QP. It may be inspected by any Shareholder or his duly authorised agent during normal business hours at that address, without charge.

Copies of the entries in the Register relating to a Shareholder are available on request by that Shareholder without charge. The Company has the power to close the Register for any period or periods not exceeding 30 days in any one year.

RESTRICTIONS AND COMPULSORY TRANSFER AND REDEMPTION OF SHARES

The ACD may from time to time impose such restrictions as it may think necessary to ensure that no Shares are acquired or held by any person in breach of the law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory. In this connection, the ACD may reject in its discretion any application for the purchase, sale or switching of Shares.

If it comes to the notice of the ACD that any Shares are or may be owned or held legally or beneficially by a Non-Qualified Person ("affected Shares") the ACD may give notice to the registered holder(s) of the affected Shares requiring either the transfer of such Shares to a person who is not a Non-Qualified Person or a request in writing for redemption or cancellation of such Shares in accordance with the FCA Regulations. If any person upon whom such a notice is served does not, within 30 days after the date of such notice, transfer the affected Shares to a person who is not a Non-Qualified Person or establish to the satisfaction of the ACD (whose judgement is final and binding) that he and the beneficial owner are not Non-Qualified Persons, he shall be deemed upon the expiration of that 30 day period to have given a request in writing for the redemption or cancellation (at the discretion of the ACD) of all the affected Shares pursuant to the FCA Regulations.

A person who becomes aware that he has acquired or holds affected Shares as described above shall forthwith, unless he has already received a notice from the ACD as above, either transfer the affected Shares to a person qualified to own them or give a request in writing for the redemption or cancellation of such Shares pursuant to the FCA Regulations.

MARKET TIMING AND SHORT TERM TRADING

The ACD does not permit the Fund to be used for the purposes of 'market timing' and short-term trading. For these purposes market timing is defined as a trading strategy with the intention of taking advantage of short term changes in market prices. Short-term trading in a Fund may harm performance in particular in respect of portfolio management strategies, and may increase costs such as brokerage and administration costs.

Although there can be no assurance that such practices will be identified or prevented, the ACD will undertake monitoring activities with the aim of ensuring that market timing and short-term trading is not taking place in relation to the Fund, and may take such actions as it deems appropriate to prevent such practices.

ANNUAL REPORTS

Annual reports of the Company (the "long report") will be available on request not later than 31st March and half yearly reports will be published on or before 30th September.

The annual accounting date will be 31st January and the interim accounting date will be 31st July.

Copies of reports may be obtained from the ACD or inspected at the ACD's offices at Marlborough House, 59 Chorley New Road, Bolton, BL1 4QP or at www.marlboroughfunds.com.

SHAREHOLDER MEETINGS AND VOTING RIGHTS

Annual General Meeting

From 2 February 2007 in accordance with regulation 37A of the OEIC Regulations 2001, the ACD has elected to dispense with the requirement to hold annual general meetings.

Voting

Entitlement to receive notice of a particular meeting or adjourned meeting and to vote at such a meeting is determined by reference to those persons who are holders of shares in the Company on the date seven days before the notice is sent ("the cut-off date"), but excluding any persons who are known not to be holders at the date of the meeting or other relevant date.

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

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

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

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

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

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

Powers of a Shareholders' Meeting

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

- certain changes to the investment objective and policy of the Company;
- the removal of the ACD;
- any proposal for a Scheme of arrangement.

Other provisions of the Company's instrument of incorporation and the prospectus may be changed by the ACD without the sanction of a shareholders' meeting in accordance with the COLL.

Class Rights

Fundamental changes to the rights attaching to a class of shares may only be varied with the sanction of an extraordinary resolution passed at a class meeting of the holders of the classes concerned. The provisions about notice and conduct of meetings summarised above will apply, with the necessary alterations, to class meetings.

WINDING UP OF THE COMPANY

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

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

- if an extraordinary resolution of shareholders of the Company to that effect is passed; or
- on the date stated in any agreement by the FCA in response to a request from the ACD for the winding up of the Company.

The ACD may request that the Company be wound up in certain situations such as if, at any time after the first anniversary of the issue of the first shares linked to the Company the net value of the assets of the Company attributable to Company is less than £1 million.

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

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

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

On completion of a winding up of the Company, the ACD shall notify the Registrar of Companies and shall notify the FCA that it has done so.

Following the completion of a winding up of the Company, the ACD must prepare a final account showing how the winding up took place and how the Scheme Property was distributed. The Auditors of the Company shall make a report in respect of the final account, stating their opinion as to whether the final account has been properly prepared. This final account and the auditors' report must be sent to the FCA, to each relevant Shareholder and, in the case of the winding up of the Company, to the Registrar of Companies within two months of the termination of the winding up.

DOCUMENTS OF THE COMPANY

The following documents may be inspected free of charge between 9.00a.m and 5.00 p.m. on every Business Day at the Head office of the ACD, Marlborough House, 59 Chorley New Road, Bolton BL1 4QP:

- a) the most recent annual and half-yearly long report of the Company;
- b) the Instrument of Incorporation (and any amending instrument);
- c) the Prospectus and the Key Investor Information Document;
- d) the material contracts referred to below; and
- e) supplementary information relating to the quantitative limits which apply to the risk management of the Company, the methods used for the purposes of such risk management and any recent developments which relate to the risk and yields of the main categories of investment which apply to the Company.

Copies of the long report and the Prospectus may be obtained free of charge from the above address.

A copy of the ACD Agreement may be obtained on request.

All documents and remittances are sent at the risk of the Shareholder. All notices or documents required to be served on Shareholders shall be served by post to the address of the Shareholder as evidenced on the register.

This Prospectus

This Prospectus describes the constitution and operation of the Company at the date of this Prospectus. In the event of any materially significant change in the matters stated herein or any materially significant new matter arising which ought to be stated herein this Prospectus will be revised. Investors should check with the ACD that this is the latest version and that there have been no revisions or updates.

MATERIAL CONTRACTS

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

- a) the ACD Agreement dated 13 July 2005 between the Company and the ACD, and
- b) the Depositary Agreement dated 18 March 2016 between the Company, the ACD and the Depositary.

Details of the above contracts are given in Appendix 3 (Management and Administration).

COMPLAINTS

Complaints concerning the operation or marketing of the Company may be referred to the Compliance Officer of the ACD at Marlborough House, 59 Chorley New Road, Bolton BL1 4QP. If a complaint cannot be resolved satisfactorily with the ACD, complaints may also be made direct to the Financial Ombudsman Service (the "FOS") at Exchange Tower, London, E14 9SR. More details about the FOS may be obtained from the ACD.

COMPENSATION

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

APPENDIX 5: PAST PERFORMANCE INFORMATION

MFM UK Primary Opportunities Fund (A Class Shares)

1st January 2014 – 31st December 2018, Bid to Bid, UK Basic Rate, Based in UK Sterling

Net Income Reinvested

Name	% Growth 01 Jan 14 to 31 Dec 14	% Growth 01 Jan 15 to 31 Dec 15	% Growth 01 Jan 16 to 31 Dec 16	% Growth 01 Jan 17 to 31 Dec 17	% Growth 01 Jan 18 to 31 Dec 18
MFM UK Primary Opportunities Fund	-1.06	6.80	13.14	18.48	-7.90

Source: Morningstar

The value of your shares may go down as well as up. Past performance is not a guide to future performance.

APPENDIX 6: FURTHER INFORMATION

Marlborough Fund Managers Limited acts as Authorised Corporate Director in relation to the following OEIC's:

Marlborough OEIC:

Marlborough Defensive Fund

Marlborough No2 OEIC:

Marlborough Far East Growth Fund

Marlborough Multi-Cap Income Fund

Marlborough Nano-Cap Growth Fund

Marlborough ETF OEIC:

Marlborough ETF Commodity Fund

Marlborough ETF Global Growth Fund

Junior Gold

MFM Techninvest Special Situations Fund

MFM Techninvest Technology Fund

MFM UK Primary Opportunities Fund

Marlborough Fund Managers Limited acts as Authorised Unit Trust Manager in relation to the following authorised unit trusts:

Junior Oils Trust

Marlborough Balanced Fund

Marlborough Bond Income Fund

Marlborough Cautious Fund

Marlborough Emerging Markets Trust

Marlborough European Multi-Cap Fund

Marlborough Extra Income Fund

Marlborough Global Fund

Marlborough Global Bond Fund

Marlborough High Yield Fixed Interest Fund

Marlborough Special Situations Fund

Marlborough UK Micro-Cap Growth Fund

Marlborough UK Multi-Cap Growth Fund

Marlborough US Multi-Cap Income Fund

MFM Bowland Fund

MFM Hathaway Fund

The directors of Marlborough Fund Managers Limited are:

Andrew Staley

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

Nicholas FJ Cooling

In addition to his role as director of the Manager, Mr Cooling also acts as the investment director of Marlborough Investment Management Limited and is a director of Investment Fund Services Limited, Marlborough Investment Management (UK) Limited, Marlborough Unit Trust Managers Limited, Marlborough Group Holdings Limited, MFM Unit Trust Managers Limited, UFC Fund Management PLC, My Continuum Financial Limited, Continuum DFM Limited, UK Travel Limited and Spinney Lodge Freehold Management Limited.

Allan Hamer

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

Wayne D Green

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

Geoffrey R Hitchin

Dominique Clarke

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

Helen Derbyshire

Also a director of Investment Fund Services Limited, Marlborough Group Holdings Limited and IFSL Administration Limited.

Richard Goodall

Also a director of Investment Fund Services Limited, Marlborough Group Holdings Limited and Novia Global Limited.

Guy Sears - Non-executive director

Also a non-executive director of Investment Fund Services Limited.

David Kiddie - Non-executive director

Also a non-executive director of Investment Fund Services Limited.