



ASSET MANAGEMENT

Prospectus

for:
Royal London Multi-Asset Funds ICVC
(the "Company")

Royal London Unit Trust Managers Limited
Authorised and regulated by the Financial Conduct Authority

Valid as at 20 March 2019

This document constitutes the Prospectus for the Company which has been prepared in accordance with the rules contained in the Collective Investment Schemes Sourcebook. Copies of this Prospectus have been sent to the FCA and the Depositary.

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DEFINITIONS

In this Prospectus, unless the context otherwise requires, the following expressions have the following meanings:

"the ACD"	means the authorised corporate director of the Company, Royal London Unit Trust Managers Limited;
"the Act"	means the Financial Services and Markets Act 2000 (as amended from time to time);
"AIFM"	the legal person appointed on behalf of the Company and which (through this appointment) is responsible for managing the Company in accordance with the AIFM Directive and The Alternative Investment Fund Managers Regulations 2013, which at the date of this Prospectus is the ACD;
"AIFM Directive"	Alternative Investment Fund Managers Directive 2011/61/EU of the European Parliament and Council of 8 June 2011 as amended from time to time.
"Class"	a class of share in a Fund;
"COLL"	means the Collective Investment Schemes Sourcebook (as amended from time to time);
"the Company"	means Royal London Multi-Asset Funds ICVC (which has FCA Product Reference Number (PRN): 729931);
"Cut Off Point"	in relation to a valuation point, if applicable to any Fund, the time on any dealing day after which no instructions to purchase, redeem or switch Shares will be accepted and details of which are set out in Clause 4.1;
"the Depositary"	means HSBC Bank plc or any successor from time to time;
"the EEA"	means the European Economic Area;
"EPM"	or Efficient Portfolio Management, means the use of techniques and instruments which relate to transferable securities and approved money market instruments and which fulfil the following criteria: <ul style="list-style-type: none">(a) they are economically appropriate in that they are realised in a cost effective way; and(b) they are entered into for one or more of the following specific aims:<ul style="list-style-type: none">i) reduction of risk;ii) reduction of cost;iii) generation of additional capital or income for the scheme with a risk level which is consistent with the risk profile of the scheme and the risk diversification rules laid down in COLL, as more fully described in Appendix 2;
"the FCA"	means The Financial Conduct Authority of 12 Endeavour Square, London E20 1JN;
"the Fund"	means a Fund of the Company details of which are set out in Section 1 of this Prospectus;
"GMAP"	means Global Multi-Asset Portfolios;

"the Handbook"	means the FCA's Handbook of rules and guidance (in its entirety and including COLL);
"the Instrument"	means the instrument of incorporation, as amended from time to time, pursuant to which the Company is governed;
"the Regulations"	means the Open Ended Investment Companies Regulations 2001 (as amended);
"the Royal London Multi-Asset range"	means all the Funds of the Company (with the exception of the Royal London Monthly Income Bond Fund and the Royal London Multi Asset Strategies Fund);
"Scheme Property"	the scheme property of the Company required under the COLL Sourcebook to be given for safekeeping to the Depositary;
"US Person"	means (a) a person who falls within the definition of "US Person" as defined in rule 902 of regulation S of the United States Securities Act 1933, (b) any natural person resident in the United States of America ("U.S." or "USA"); (c) any corporation organised under U.S. law; (d) any partnership organised or existing in any state, territory or possession of the USA; (e) any estate or trust the income of which is subject to U.S. income tax, regardless of source; and (f) any pension plan for the employees, officers or principals of an entity organised or having its principal place of business in the U.S. Notwithstanding the foregoing, any entity organised principally for the purpose of passive investment (such as a pool, investment company or similar entity) shall be deemed to be a U.S. Person unless less than 10% in the aggregate of the beneficial interest in the entity is held by or on behalf of U.S. Persons and the entity was not formed principally for the purpose of facilitating investment by U.S. Persons in a pool with respect to which the pool operator is exempt from certain requirements of Part 4 of the U.S. Commodity Futures Trading Commission's regulations by virtue of the pool's participants being non-U.S. Persons and/or such other persons as the ACD may from time to time deem to be U.S. Persons.

SECTION 1 - FUND SPECIFIC INFORMATION ON THE FUNDS OF THE COMPANY

The following information is specific to the individually named Fund and should be read in conjunction with other information contained in the "Additional Information" section of this Prospectus. This Prospectus has been prepared solely for, and is being made available to investors for the purposes of evaluating an investment in Shares in the Funds. Investors should only consider investing in the Funds if they understand the risks involved including the risk of losing all capital invested.

Fund Name

Royal London GMAP Conservative Fund

Investment Objective

The objective of the Fund is to deliver an investment return comprising of a combination of income and capital growth, over an investment cycle of approximately 6 to 7 years, by gaining exposure to a diversified portfolio of fixed income assets. The Fund seeks to provide the lowest level of return with the lowest level of risk when compared to other funds within the Royal London Multi-Asset range.

Investment Policy

The Fund will seek to achieve this objective predominantly through investment in fixed income collective investment schemes, which may use either active or passive strategies. The Fund may also invest in closed end investment companies. The collective investment schemes invested in will predominantly be managed by the Investment Adviser, but may also include those managed by third-parties. These collective investment schemes will invest in fixed income securities, including investment and sub-investment grade, but may also invest in money-market instruments, deposits and cash. The Fund may also invest directly in money market instruments, deposits and cash.

The Fund may invest in derivatives and forward transactions for efficient portfolio management purposes, including hedging, and investment purposes.

Type of Fund

Non UCITS retail scheme

Authorisation and Launch of Fund

The Fund was authorised on 17 February 2016.

The Fund was launched on 14 March 2016.

FCA Product Reference Number (PRN): 737105

Initial Offer Period

One day

All Shares purchased during the initial offer period will be priced at £1

Investment Adviser

Royal London Asset Management Ltd

Minimum Investment Levels

(a) Min. Holding and Initial Investment

Class M: £10,000

Class P: N/A

Class R: N/A

Class S: N/A

(b) Min. Subsequent Investment

Class M: £1,000

Class P: N/A

Class R: N/A

Class S: N/A

(c) Min. Redemption Amount

Class M: N/A

Class P: N/A

Class R: N/A

Class S: N/A

(d) Min. Regular monthly Investment

Class M: N/A

Class P: N/A

ACD's Reports

Annual..... 30 April

Half Yearly .. 31 August

Distribution Payment Dates

Final..... 28 February

Interim.....31 August

Accounting Dates

Final..... 31 December

Interim 30 June

Income

This Fund pays income distributions twice a year (see dates above). For more information on how income is determined and paid, and for details of what happens to unclaimed distributions, see paragraph 7.

Investor Profile

This Fund is designed for retail investors (subject to their tolerance to risk) via intermediaries and platforms, and charities and small institutional investors. The full benefits of investing in the Fund will only be realised by an investor

Class R: N/A
Class S: N/A

The ACD reserves the right to set a higher minimum investment level for certain authorised fund products within the Group.

Management Charges

(a) ACD's Preliminary Charge

Class M: Nil
Class P: Nil
Class R: Nil
Class S: Nil

(b) ACD's Periodic Charge

Class M: 0.45% p.a.

Class P: 0.40% p.a.

Class R: Nil (a periodic charge is payable to the ACD outside the Fund at a level separately agreed between the parties).

Class S: Nil (a periodic charge is payable to the ACD outside the Fund at a level separately agreed between the parties).

Charges will be deducted from income.

Type of Shares

Class M Income Shares

Class M Accumulation Shares

Class P Accumulation Shares*

Class R Accumulation Shares*

Class S Income Shares*

Class S Accumulation Shares*

Pricing

This Fund is single priced.

Base Currency

Sterling £

General

As a Shareholder you are entitled to a copy of the latest report & accounts and the NURS KII Document for this Fund at any time, available on request.

As a Shareholder you have voting rights, see paragraph 6.4 for further details.

over the complete investment cycle. On average investment cycles each last about 6 to 7 years, but can vary significantly so we recommend a holding period of not less than 5 years. Disinvesting sooner than this may increase the risk of capital loss.

Leverage

The maximum level of leverage for the Fund expressed as a ratio of the Fund's total exposure to its Net Asset Value:

(a) under the Gross Method is up to 2:1 (200% of NAV); and

(b) under the Commitment Method is up to 2:1 (200% of NAV).

*Class P Shares and Class R Shares are available only to affiliates of the ACD. Class S Shares are only available at the discretion of the ACD and to those investors who agree a separate fee agreement with the ACD.

Fund Name**Royal London GMAP Defensive Fund****Investment Objective**

The investment objective of the Fund is to deliver capital growth over an investment cycle of approximately 6 to 7 years, via investment in a diversified portfolio of assets. The Fund seeks to provide a relatively low level of return with a relatively low level of risk when compared to other funds within the Royal London Multi-Asset range.

Investment Policy

The Fund will seek to achieve this objective predominantly through investment in collective investment schemes, which may use either active or passive strategies. The Fund may also invest in closed end investment companies. The collective investment schemes invested in will invest in UK and overseas equities, fixed income securities, including investment and sub-investment grade, commodities, property, money-market instruments, deposits and cash. At any point in time the Fund's equity exposure will not exceed 35%. The collective investment schemes invested in will primarily be managed by the Investment Adviser, but potentially those managed by third-parties. The Fund may also invest directly in transferable securities such as equities and fixed income securities as well as money market instruments, deposits and cash.

The Fund may invest in derivatives and forward transactions for efficient portfolio management purposes, including hedging, and investment purposes.

Type of Fund

Non UCITS retail scheme

Authorisation and Launch of Fund

The Fund was authorised on 17 February 2016.

The Fund was launched on 14 March 2016.

FCA Product Reference Number (PRN): 737106

Initial Offer Period

One day

All Shares purchased during the initial offer period will be priced at £1

Investment Adviser

Royal London Asset Management Ltd

Minimum Investment Levels

(a) Min. Holding and Initial Investment

Class M: £10,000

Class P: N/A

Class R: N/A

Class S: N/A

(b) Min. Subsequent Investment

Class M: £1,000

Class P: N/A

Class R: N/A

Class S: N/A

(c) Min. Redemption Amount

Class M: N/A

Class P: N/A

Class R: N/A

Class S: N/A

(d) Min. Regular monthly Investment

Class M: N/A

Class P: N/A

Class R: N/A

Class S: N/A

The ACD reserves the right to set a higher minimum investment level for certain authorised fund products within the Group.

ACD's Reports

Annual..... 30 April

Half Yearly .. 31 August

Distribution Payment Dates

Final..... 28 February

Interim.....31 August

Accounting Dates

Final..... 31 December

Interim..... 30 June

Income

This Fund pays income distributions twice a year (see dates above). For more information on how income is determined and paid, and for details of what happens to unclaimed distributions, see paragraph 7.

Investor Profile

This Fund is designed for retail investors (subject to their tolerance to risk) via intermediaries and platforms, and charities and small institutional investors. The full benefits of investing in the Fund will only be realised by an investor over the complete investment cycle. On average investment cycles each last about 6 to 7 years, but can vary significantly so we recommend a holding period of not less than 5 years. Disinvesting sooner than this may increase the risk of capital loss.

Leverage

Management Charges

(a) ACD's Preliminary Charge

Class M: Nil
Class P: Nil
Class R: Nil
Class S: Nil

(b) ACD's Periodic Charge

Class M: 0.45% p.a.
Class P: 0.40% p.a.
Class R: Nil (a periodic charge is payable to the ACD outside the Fund at a level separately agreed between the parties).
Class S: Nil (a periodic charge is payable to the ACD outside the Fund at a level separately agreed between the parties).

Charges will be deducted from income.

Type of Shares

Class M Income Shares
Class M Accumulation Shares
Class P Accumulation Shares*
Class R Accumulation Shares*
Class S Income Shares*
Class S Accumulation Shares*

Pricing

This Fund is single priced.

Base Currency

Sterling £

General

As a Shareholder you are entitled to a copy of the latest report & accounts and the NURS KII Document for this Fund at any time, available on request.

As a Shareholder you have voting rights, see paragraph 6.4 for further details.

The maximum level of leverage for the Fund expressed as a ratio of the Fund's total exposure to its Net Asset Value:

(a) under the Gross Method is up to 2:1 (200% of NAV); and

(b) under the Commitment Method is up to 2:1 (200% of NAV).

*Class P Shares and Class R Shares are available only to affiliates of the ACD. Class S Shares are only available at the discretion of the ACD and to those investors who agree a separate fee agreement with the ACD.

Fund Name**Royal London GMAP Balanced Fund****Investment Objective**

The investment objective of the Fund is to deliver capital growth, over an investment cycle of approximately 6 to 7 years, via investment in a diversified portfolio of assets. The Fund seeks to provide a relatively moderate level of return with a relatively moderate level of risk when compared to other funds within the Royal London Multi-Asset range.

Investment Policy

The Fund will seek to achieve this objective predominantly through investment in collective investment schemes, which may use either active or passive strategies. The Fund may also invest in closed end investment companies. The collective investment schemes invested in will invest in UK and overseas equities, fixed income securities, including investment and sub-investment grade, commodities, property, money-market instruments, deposits and cash. At any point in time the Fund's equity exposure will not be less than 15% and will not exceed 60%. The collective investment schemes invested in will primarily be managed by the Investment Adviser, but may also include those managed by third-parties. The Fund may also invest directly in transferable securities such as equities and fixed income securities as well as money market instruments, deposits and cash.

The Fund may invest in derivatives and forward transactions for efficient portfolio management purposes, including hedging, and investment purposes.

Type of Fund

Non UCITS retail scheme

Authorisation and Launch of Fund

The Fund was authorised on 17 February 2016.

The Fund was launched on 14 March 2016.

FCA Product Reference Number (PRN): 737107

Initial Offer Period

One day

All Shares purchased during the initial offer period will be priced at £1

Investment Adviser

Royal London Asset Management Ltd

Minimum Investment Levels

(a) Min. Holding and Initial Investment

Class M: £10,000

Class P: N/A

Class R: N/A

Class S: N/A

(b) Min. Subsequent Investment

Class M: £1,000

Class P: N/A

Class R: N/A

Class S: N/A

(c) Min. Redemption Amount

Class M: N/A

Class P: N/A

Class R: N/A

Class S: N/A

(d) Min. Regular monthly Investment

Class M: N/A

Class P: N/A

Class R: N/A

Class S: N/A

The ACD reserves the right to set a higher minimum investment level for certain authorised fund products within the Group.

ACD's Reports

Annual..... 30 April

Half Yearly .. 31 August

Distribution Payment Dates

Final..... 28 February

Interim.....31 August

Accounting Dates

Final..... 31 December

Interim 30 June

Income

This Fund pays income distributions twice a year (see dates above). For more information on how income is determined and paid, and for details of what happens to unclaimed distributions, see paragraph 7.

Investor Profile

This Fund is designed for retail investors (subject to their tolerance to risk) via intermediaries and platforms, and charities and small institutional investors. The full benefits of investing in the Fund will only be realised by an investor over the complete investment cycle. On average investment cycles each last about 6 to 7 years, but can vary significantly so we recommend a holding period of not less than 5 years. Disinvesting sooner than this may increase the risk of capital loss.

Leverage

Management Charges

(a) ACD's Preliminary Charge

Class M: Nil
Class P: Nil
Class R: Nil
Class S: Nil

(b) ACD's Periodic Charge

Class M: 0.45% p.a.
Class P: 0.40% p.a.
Class R: Nil (a periodic charge is payable to the ACD outside the Fund at a level separately agreed between the parties).
Class S: Nil (a periodic charge is payable to the ACD outside the Fund at a level separately agreed between the parties).

Charges will be deducted from income.

Type of Shares

Class M Income Shares
Class M Accumulation Shares
Class P Accumulation Shares*
Class R Accumulation Shares*
Class S Income Shares*
Class S Accumulation Shares*

Pricing

This Fund is single priced.

Base Currency

Sterling £

General

As a Shareholder you are entitled to a copy of the latest report & accounts and the NURS KII Document for this Fund at any time, available on request.

As a Shareholder you have voting rights, see paragraph 6.4 for further details.

The maximum level of leverage for the Fund expressed as a ratio of the Fund's total exposure to its Net Asset Value:

(a) under the Gross Method is up to 2:1 (200% of NAV); and

(b) under the Commitment Method is up to 2:1 (200% of NAV).

*Class P Shares and Class R Shares are available only to affiliates of the ACD. Class S Shares are only available at the discretion of the ACD and to those investors who agree a separate fee agreement with the ACD.

Fund Name**Royal London GMAP Growth Fund****Investment Objective**

The investment objective of the Fund is to deliver capital growth, over an investment cycle of approximately 6 to 7 years, via investment in a diversified portfolio of assets. The Fund seeks to provide a relatively moderate to high level of return with a relatively moderate to high level of risk when compared to other funds within the Royal London Multi-Asset range.

Investment Policy

The Fund will seek to achieve this objective predominantly through investment in collective investment schemes, which may use either active or passive strategies. The Fund may also invest in closed end investment companies. The collective investment schemes invested in will invest in UK and overseas equities, fixed income securities, including investment and sub-investment grade, commodities, property, money-market instruments, deposits and cash. At any point in time the Fund's equity exposure will not be less than 40% and will not exceed 75%. The collective investment schemes invested in will primarily be managed by the Investment Adviser, but may also include those managed by third-parties. The Fund may also invest directly in transferable securities such as equities and fixed income securities as well as money market instruments, deposits and cash.

The Fund may invest in derivatives and forward transactions for efficient portfolio management purposes, including hedging, and investment purposes.

Type of Fund

Non UCITS retail scheme

Authorisation and Launch of Fund

The Fund was authorised on 17 February 2016.

The Fund was launched on 14 March 2016.

FCA Product Reference Number (PRN): 737108

Initial Offer Period

One day

All Shares purchased during the initial offer period will be priced at £1

Investment Adviser

Royal London Asset Management Ltd

Minimum Investment Levels

(a) Min. Holding and Initial Investment

Class M: £10,000

Class P: N/A

Class R: N/A

Class S: N/A

(b) Min. Subsequent Investment

Class M: £1,000

Class P: N/A

Class R: N/A

Class S: N/A

(c) Min. Redemption Amount

Class M: N/A

Class P: N/A

Class R: N/A

Class S: N/A

(d) Min. Regular monthly Investment

Class M: N/A

Class P: N/A

Class R: N/A

Class S: N/A

The ACD reserves the right to set a higher minimum investment level for certain authorised fund products within the Group.

ACD's Reports

Annual..... 30 April

Half Yearly .. 31 August

Distribution Payment Dates

Final..... 28 February

Interim.....31 August

Accounting Dates

Final..... 31 December

Interim 30 June

Income

This Fund pays income distributions twice a year (see dates above). For more information on how income is determined and paid, and for details of what happens to unclaimed distributions, see paragraph 7.

Investor Profile

This Fund is designed for retail investors (subject to their tolerance to risk) via intermediaries and platforms, and charities and small institutional investors. The full benefits of investing in the Fund will only be realised by an investor over the complete investment cycle. On average investment cycles each last about 6 to 7 years, but can vary significantly so we recommend a holding period of not less than 5 years. Disinvesting sooner than this may increase the risk of capital loss.

Leverage

Management Charges

(a) ACD's Preliminary Charge

Class M: Nil
Class P: Nil
Class R: Nil
Class S: Nil

(b) ACD's Periodic Charge

Class M: 0.45% p.a.
Class P: 0.40% p.a.
Class R: Nil (a periodic charge is payable to the ACD outside the Fund at a level separately agreed between the parties).
Class S: Nil (a periodic charge is payable to the ACD outside the Fund at a level separately agreed between the parties).

Charges will be deducted from income.

Type of Shares

Class M Income Shares
Class M Accumulation Shares
Class P Accumulation Shares*
Class R Accumulation Shares*
Class S Income Shares*
Class S Accumulation Shares*

Pricing

This Fund is single priced.

Base Currency

Sterling £

General

As a Shareholder you are entitled to a copy of the latest report & accounts and the NURS KII Document for this Fund at any time, available on request.

As a Shareholder you have voting rights, see paragraph 6.4 for further details.

The maximum level of leverage for the Fund expressed as a ratio of the Fund's total exposure to its Net Asset Value:

(a) under the Gross Method is up to 2:1 (200% of NAV); and

(b) under the Commitment Method is up to 2:1 (200% of NAV).

*Class P Shares and Class R Shares are available only to affiliates of the ACD. Class S Shares are only available at the discretion of the ACD and to those investors who agree a separate fee agreement with the ACD.

Fund Name**Royal London GMAP Adventurous Fund****Investment Objective**

The investment objective of the Fund is to deliver capital growth, over an investment cycle of approximately 6 to 7 years, via investment in a diversified portfolio of assets. The Fund seeks to provide a relatively high level of return with a relatively high level of risk when compared to other funds within the Royal London Multi-Asset range.

Investment Policy

The Fund will seek to achieve this objective predominantly through investment in collective investment schemes, which may use either active or passive strategies. The Fund may also invest in closed end investment companies. These collective investment schemes will invest in UK and overseas equities, fixed income securities, including investment and sub-investment grade, commodities, property, money market instruments, deposits and cash. At any point in time the Fund's equity exposure will not be less than 50% and will not exceed 85%. The collective investment schemes invested in will primarily be managed by the Investment Adviser, but may also include those managed by third-parties. The Fund may also invest directly in transferable securities such as equities and fixed income securities as well as money market instruments, deposits and cash.

The Fund may invest in derivatives and forward transactions for efficient portfolio management purposes, including hedging, and investment purposes.

Type of Fund

Non UCITS retail scheme

Authorisation and Launch of Fund

The Fund was authorised on 17 February 2016.

The Fund was launched on 14 March 2016.

FCA Product Reference Number (PRN): 737109

Initial Offer Period

One day

All Shares purchased during the initial offer period will be priced at £1

Investment Adviser

Royal London Asset Management Ltd

Minimum Investment Levels

(a) Min. Holding and Initial Investment

Class M: £10,000

Class P: N/A

Class R: N/A

Class S: N/A

(b) Min. Subsequent Investment

Class M: £1,000

Class P: N/A

Class R: N/A

Class S: N/A

(c) Min. Redemption Amount

Class M: N/A

Class P: N/A

Class R: N/A

Class S: N/A

(d) Min. Regular monthly Investment

Class M: N/A

Class P: N/A

Class R: N/A

Class S: N/A

The ACD reserves the right to set a higher minimum investment level for certain authorised fund products within the Group.

ACD's Reports

Annual..... 30 April

Half Yearly .. 31 August

Distribution Payment Dates

Final..... 28 February

Interim.....31 August

Accounting Dates

Final..... 31 December

Interim 30 June

Income

This Fund pays income distributions twice a year (see dates above). For more information on how income is determined and paid, and for details of what happens to unclaimed distributions, see paragraph 7.

Investor Profile

This Fund is designed for retail investors (subject to their tolerance to risk) via intermediaries and platforms, and charities and small institutional investors. The full benefits of investing in the Fund will only be realised by an investor over the complete investment cycle. On average investment cycles each last about 6 to 7 years, but can vary significantly so we recommend a holding period of not less than 5 years. Disinvesting sooner than this may increase the risk of capital loss.

Management Charges

(a) ACD's Preliminary Charge

Class M: Nil
Class P: Nil
Class R: Nil
Class S: Nil

(b) ACD's Periodic Charge

Class M: 0.45% p.a.
Class P: 0.40% p.a.
Class R: Nil (a periodic charge is payable to the ACD outside the Fund at a level separately agreed between the parties).
Class S: Nil (a periodic charge is payable to the ACD outside the Fund at a level separately agreed between the parties).

Charges will be deducted from income.

Type of Shares

Class M Income Shares
Class M Accumulation Shares
Class P Accumulation Shares*
Class R Accumulation Shares*
Class S Income Shares*
Class S Accumulation Shares*

Pricing

This Fund is single priced.

Base Currency

Sterling £

General

As a Shareholder you are entitled to a copy of the latest report & accounts and the NURS KII Document for this Fund at any time, available on request.

As a Shareholder you have voting rights, see paragraph 6.4 for further details.

Leverage

The maximum level of leverage for the Fund expressed as a ratio of the Fund's total exposure to its Net Asset Value:

(a) under the Gross Method is up to 2:1 (200% of NAV); and

(b) under the Commitment Method is up to 2:1 (200% of NAV).

*Class P Shares and Class R Shares are available only to affiliates of the ACD. Class S Shares are only available at the discretion of the ACD and to those investors who agree a separate fee agreement with the ACD.

Fund Name**Royal London GMAP Dynamic Fund****Investment Objective**

The investment objective of the Fund is to deliver capital growth, over an investment cycle of approximately 6 to 7 years, via investment in a diversified portfolio of UK and global equities. The Fund seeks to provide the highest level of return with the highest level of risk when compared to other funds within the Royal London Multi-Asset range.

Investment Policy

The Fund will achieve this predominantly through investment in equity collective investment schemes, which may use either active or passive strategies. The Fund may also invest in closed end investment companies. The collective investment schemes invested in will invest in UK and overseas equities but may also invest in money-market instrument, deposits and cash. The collective investment schemes invested in will predominantly be managed by the Investment Adviser, but may also include those managed by third-parties. The Fund may also invest directly in money-market instruments, deposits and cash.

The Fund may invest in derivatives and forward transactions for efficient portfolio management purposes, including hedging, and investment purposes.

Type of Fund

Non UCITS retail scheme

Authorisation and Launch of Fund

The Fund was authorised on 17 February 2016.

The Fund was launched on 14 March 2016.

FCA Product Reference Number (PRN): 737110

Initial Offer Period

One day

All Shares purchased during the initial offer period will be priced at £1

Investment Adviser

Royal London Asset Management Ltd

Minimum Investment Levels

(a) Min. Holding and Initial Investment

Class M: £10,000

Class P: N/A

Class R: N/A

Class S: N/A

(b) Min. Subsequent Investment

Class M: £1,000

Class P: N/A

Class R: N/A

Class S: N/A

(c) Min. Redemption Amount

Class M: N/A

Class P: N/A

Class R: N/A

Class S: N/A

(d) Min. Regular monthly Investment

Class M: N/A

Class P: N/A

Class R: N/A

Class S: N/A

The ACD reserves the right to set a higher minimum investment level for certain authorised fund products within the Group.

Management Charges

(a) ACD's Preliminary Charge

Class M: Nil

Class P: Nil

ACD's Reports

Annual..... 30 April

Half Yearly .. 31 August

Distribution Payment Dates

Final..... 28 February

Interim.....31 August

Accounting Dates

Final..... 31 December

Interim 30 June

Income

This Fund pays income distributions twice a year (see dates above). For more information on how income is determined and paid, and for details of what happens to unclaimed distributions, see paragraph 7.

Investor Profile

This Fund is designed for retail investors (subject to their tolerance to risk) via intermediaries and platforms, and charities and small institutional investors. The full benefits of investing in the Fund will only be realised by an investor over the complete investment cycle. On average investment cycles each last about 6 to 7 years, but can vary significantly so we recommend a holding period of not less than 5 years. Disinvesting sooner than this may increase the risk of capital loss.

Leverage

The maximum level of leverage for the Fund expressed as a ratio of the Fund's total exposure to its Net Asset Value:

<p>Class R: Nil Class S: Nil</p> <p>(b) ACD's Periodic Charge</p> <p>Class M: 0.45% p.a. Class P: 0.40% p.a. Class R: Nil (a periodic charge is payable to the ACD outside the Fund at a level separately agreed between the parties). Class S: Nil (a periodic charge is payable to the ACD outside the Fund at a level separately agreed between the parties).</p> <p>Charges will be deducted from income.</p> <p><u>Type of Shares</u> Class M Income Shares Class M Accumulation Shares Class P Accumulation Shares* Class R Accumulation Shares* Class S Income Shares* Class S Accumulation Shares*</p> <p><u>Pricing</u> This Fund is single priced.</p> <p><u>Base Currency</u> Sterling £</p> <p><u>General</u> As a Shareholder you are entitled to a copy of the latest report & accounts and the NURS KII Document for this Fund at any time, available on request.</p> <p>As a Shareholder you have voting rights, see paragraph 6.4 for further details.</p>	<p>(a) under the Gross Method is up to 2:1 (200% of NAV); and</p> <p>(b) under the Commitment Method is up to 2:1 (200% of NAV).</p>
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*Class P Shares and Class R Shares are available only to affiliates of the ACD. Class S Shares are only available at the discretion of the ACD and to those investors who agree a separate fee agreement with the ACD.

Fund Name**Royal London Monthly Income Bond Fund****Investment Objective and Policy**

The objective of the Fund is to provide income in excess of the reference benchmark, net of fees, with the potential for capital growth over the medium to long term. For all shareholders, any income will be paid monthly.

The Fund will seek to achieve this objective by investing primarily in collective investment schemes, including those operated by the ACD, in order to gain an exposure to fixed income securities issued by companies and governments and other institutions.

The Fund may also gain an indirect exposure to other transferable securities, equities, cash, other money market instruments, deposits and derivatives.

At the discretion of the Investment Manager, the Fund may also invest directly in fixed income securities issued by companies, governments and other institutions as well as in cash, other money market instruments and deposits.

The fixed income securities to which the Fund will obtain direct or indirect exposure will include investment grade, sub-investment grade and non-rated debt securities and will include a range of durations.

The Fund may use derivatives for the purposes of efficient portfolio management only.

The reference benchmark of the fund is 50% the BofA ML BB-B Global Non-Financial High Yield Constrained Index (hedged to Sterling) and 50% the BofA ML 1-10 Year Sterling Non-Gilt Index.

Type of Fund

Non UCITS retail scheme

Authorisation and Launch of Fund

The Fund was authorised on 11 October 2017.

The Fund was launched on 25 June 2018.

FCA Product Reference Number (PRN): 813401.

Initial Offer Period

One day

All Shares purchased during the initial offer period will be priced at £1

Investment Manager

Royal London Asset Management Ltd

Minimum Investment Levels

(a) Min. Holding and Initial Investment

Class M income: £10,000
Class M accumulation: £10,000
Class R accumulation: N/A
Class S accumulation: N/A

(b) Min. Subsequent Investment

Class M income: £1,000
Class M accumulation: £1,000
Class R accumulation: N/A
Class S accumulation: N/A

(c) Min. Redemption Amount

Class M income: N/A
Class M accumulation: N/A
Class R accumulation: N/A
Class S accumulation: N/A

(d) Min. Regular monthly Investment

Class M income: N/A
Class M accumulation: N/A
Class R accumulation: N/A
Class S accumulation: N/A

The ACD reserves the right to set a higher minimum investment level for certain authorised fund products

ACD's Reports

Annual..... 30 April
Half Yearly .. 31 August

Distribution Payment Dates

Final... 31 January

Interims: 28 February; 31 March; 30 April; 31 May; 30 June; 31 July; 31 August; 30 September; 31 October; 30 November; 31 December.

Accounting Dates

Final..... 31 December

Interims: 31 January; 28 February; 31 March; 30 April; 31 May; 30 June; 31 July; 31 August; 30 September; 31 October; 30 November.

Income

This Fund pays income distributions monthly (see dates above).

Investors should note that the Fund will not commence monthly distributions until 31 July to allow for the Fund to accrue income and accurately assess the income which will be available for smoothing and distribution over the remainder of the first annual accounting period.

within the Group.

Management Charges

(a) ACD'S Preliminary Charge

Class M income: 0.00%
Class M accumulation: 0.00%
Class R accumulation: 0.00%
Class S accumulation: 0.00%

(b) ACD's Periodic Charge

Class M income: 0.35% p.a.
Class M accumulation: 0.35% p.a.
Class R accumulation: 0.00% (a periodic charge is payable to the ACD outside the Fund at a level separately agreed between the parties).
Class S accumulation: 0.00% (a periodic charge is payable to the ACD outside the Fund at a level separately agreed between the parties).

Charges will be deducted from capital.

Type of Shares

Class M income shares
Class M accumulation shares
Class R accumulation shares*
Class S accumulation shares*

Pricing

This Fund is single priced.

Base Currency

Sterling £

General

As a Shareholder you are entitled to a copy of the latest report & accounts and NURS KII Document for this Fund at any time, available on request.

As a Shareholder you have voting rights, see paragraph 6.4 for further details.

The income payable during the first annual accounting period will therefore be calculated as approximately 80% of the anticipated annual income (in percentage terms) divided by the remaining months of that year. The final distribution of the accounting year will pay the balance of income in the fund.

Investor Profile

This Fund is designed for retail investors (subject to their tolerance to risk) via intermediaries and platforms, and charities and small institutional investors.

Leverage

The maximum level of leverage for the Fund expressed as a ratio of the Fund's total exposure to its Net Asset Value:

(a) under the Gross Method is up to 2:1 (200% of NAV); and

(b) under the Commitment Method is up to 2:1 (200% of NAV).

*Class R Shares are available only to affiliates of the ACD. Class S Shares are only available at the discretion of the ACD and to those investors who agree a separate fee agreement with the ACD.

Fund Name**Royal London Multi Asset Strategies Fund****Investment Objective**

The investment objective of the Fund is to achieve capital growth and income in excess of cash returns, while managing volatility and downside risk through diversified multi asset strategies. The Fund will seek to achieve an annualised return of 4% over cash (defined as the Sterling Over Night Index Average or SONIA) over rolling five year periods.

There is a risk to capital and there is no guarantee that such returns will be achieved over this or any particular period.

Investment Policy

The Fund will seek to achieve this objective by investing primarily in collective investment schemes, which may use either active or passive strategies. The collective investment schemes invested in will invest in UK and overseas equities, fixed income securities (including investment and sub-investment grade), commodities, money-market instruments, deposits and cash.

The collective investment schemes invested in will primarily be managed by the Investment Adviser, but may also include those managed by third parties. The Fund may also invest directly in transferable securities such as equities and fixed income securities as well as money market instruments, deposits and cash.

The Fund may invest in derivatives and forward transactions for efficient portfolio management purposes, including hedging, and investment purposes.

The Fund uses two distinct types of strategy to achieve its objective. These are Risk Premium Strategies and Tactical Asset Allocation ("TAA") Strategies. Risk Premium Strategies aim to generate returns from positive market trends by allocating to a diverse range of assets in a risk-conscious way. Tactical Asset Allocation Strategies aim to exploit opportunities, irrespective of market direction, when changes in the investment backdrop lead to a mispricing of assets. The Fund will have larger TAA positions, on average, when asset market valuations are stretched and expected returns from Risk Premium Strategies are lower. The Investment Adviser will seek to manage the overall volatility of the Fund in order to reduce downside risk and expects volatility to average 6% to 10% on an annual basis in normal market conditions. During periods of financial market stress, managing volatility may take priority over achieving capital growth and income in excess of cash returns.

In extraordinary market conditions, it may not be appropriate for the Fund to be invested primarily in collective investment schemes and the Fund may temporarily invest up to 100% of its total assets in cash, deposits, treasury bills, government bonds or short-term money market instruments. Examples of extraordinary market conditions include periods of heightened volatility caused by a sudden economic downturn or events such as political unrest, war or bankruptcy of large financial institutions.

Type of Fund

Non UCITS retail scheme

Authorisation and Launch of Fund

The Fund was authorised on 6 November 2018.

The Fund was launched on 23 November 2018.

FCA Product Reference Number (PRN): 825918.

Initial Offer Period

One day

All Shares purchased during the initial offer period will be priced at £1

Investment Adviser

Royal London Asset Management Ltd

Minimum Investment Levels

(a) Min. Holding and Initial Investment

ACD's Reports

Annual..... 30 April

Class M: £10,000
Class R: N/A
Class S: N/A

(b) Min. Subsequent Investment

Class M: £1,000
Class R: N/A
Class S: N/A

(c) Min. Redemption Amount

Class M: N/A
Class R: N/A
Class S: N/A

(d) Min. Regular monthly Investment

Class M: N/A
Class R: N/A
Class S: N/A

The ACD reserves the right to set a higher minimum investment level for certain authorised fund products within the Group.

Management Charges

(a) ACD's Preliminary Charge

Class M: Nil
Class R: Nil
Class S: Nil

(b) ACD's Periodic Charge

Class M: 0.45% p.a.
Class R: Nil (a periodic charge is payable to the ACD outside the Fund at a level separately agreed between the parties)*
Class S: Nil (a periodic charge is payable to the ACD outside the Fund at a level separately agreed between the parties)*

Charges will be deducted from income.

Type of Shares

Class M Accumulation Shares
Class M Income Shares
Class R Accumulation Shares*
Class S Accumulation Shares*

* Class R Shares are available only to affiliates of the ACD. Class S Shares are only available at the discretion of the ACD and to those investors who agree a separate fee agreement with the ACD.

Pricing

This Fund is single priced.

Base Currency

Sterling £

General

As a Shareholder you are entitled to a copy of the latest report & accounts and the NURS KII Document for this Fund at any time, available on request.

As a Shareholder you have voting rights, see paragraph 6.4 for further details.

Half Yearly .. 31 August

Distribution Payment Dates

Final..... 28 February

Interim.....31 August

Accounting Dates

Final 31 December

Interim 30 June

Income

This Fund pays income distributions twice a year (see dates above). For more information on how income is determined and paid, and for details of what happens to unclaimed distributions, see paragraph 7.

Investor Profile

This Fund is designed for investors who are looking for funds that seek excess return over cash over the cycle by capturing market upside while aiming to reduce volatility and downside risk through an active management process and who understand the risks associated with the Fund.

Leverage

The maximum level of leverage for the Fund expressed as a ratio of the Fund's total exposure to its Net Asset Value:

(a) under the Gross Method is up to 2:1 (200% of NAV); and

(b) under the Commitment Method is up to 2:1 (200% of NAV).

SECTION 2 – ADDITIONAL INFORMATION

1. The Company

1.1 General

Royal London Multi-Asset Funds ICVC (the Company) is an umbrella investment company with variable capital incorporated in England and Wales under registered number IC001058 and authorised by the Financial Conduct Authority with effect from 17 February 2016. The Product Reference Number of the Company is 729931. The Company has an unlimited duration.

The Company is a non-UCITS retail scheme.

Shareholders are not liable for the debts of the Company.

All communications in relation to this Prospectus shall be in English.

1.2 Head Office

The head office of the Company is at: 55 Gracechurch Street
London
EC3V 0RL

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

1.3 Base Currency

The base currency of the Company is pounds sterling (£).

1.4 Share Capital

Maximum £100,000,000,000

Minimum £100

Shares have no par value. The share capital of the Company at all times equals the sum of the Net Asset Value.

1.5 Funds

The Company is structured as an umbrella company, in that different Funds may be established from time to time by the ACD with the approval of the FCA. On the introduction of any new Fund or Class, a revised prospectus will be prepared setting out the relevant details of each Fund or Class. Please note that approval by the FCA in this context refers only to approval under the OEIC Regulations 2001 (as amended) and does not in any way indicate or suggest endorsement or approval of the Funds as an investment.

The assets of each Fund will be treated as separate from those of every other Fund and will be invested in accordance with the investment objective and investment policy applicable to that Fund. Investment of the assets of each of the Funds must comply with the COLL Sourcebook and the investment objective and policy of the relevant Fund. Details of the Funds, including their investment objectives and policies, are set out in Section 1.

The eligible securities markets and eligible derivatives markets on which the Funds may invest are set out in Appendix 1. A detailed statement of the general investment and borrowing restrictions in respect of each type of Fund is set out in Appendix 2.

Each Fund is a segregated portfolio to which that Fund's assets and liabilities are attributable. The assets of a Fund belong exclusively to that Fund and shall not be used or made available to discharge (directly or indirectly) the liabilities of, or claims against, any other person or body, including the Company or any other Fund.

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

2. Management and Administration

2.1 Authorised Corporate Director

The Authorised Corporate Director (ACD) of the Company is Royal London Unit Trust Managers Limited, a company limited by shares incorporated in England and Wales on 14th April 1989, registered no. 2372439, whose ultimate holding company is The Royal London Mutual Insurance Society Limited, a company incorporated in England and Wales, registered no. 99064.

The ACD is authorised and regulated by the Financial Conduct Authority and is authorised to carry out designated investment business and the marketing of authorised funds in the United Kingdom by virtue of that membership.

The ACD is also the AIFM of the Company.

Share Capital: The issued share capital of the ACD is £600,000 made up of 600,000 ordinary £1 shares, all of which are fully paid.

Directors:	Andrew Carter Andrew Hunt Rakesh Kumar Catherine Read Susan Spiller Rob Williams
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The above named directors are all executive directors of the ACD and are involved in the management of other companies within the Royal London group of companies.

Registered Office:	55 Gracechurch Street London EC3V 0RL
Place of Business:	55 Gracechurch Street London EC3V 0RL
Administration Centre:	DST PO Box 9035 Chelmsford Essex CM99 2XB

Other aspects of administration are outsourced to HSBC Bank PLC, 8 Canada Square, Canary Wharf, London, E14 5HQ who undertake the Fund Pricing and Fund Accounting activities.

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

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

The ACD Agreement may be terminated (i) by the ACD at any time by notice in writing to the Company and subject to the appointment of a successor ACD and (ii) by the Company on not less than twelve months written notice or earlier upon the happening of certain specified events. The ACD Agreement terminates automatically if the ACD ceases to be director of the Company or the Company is wound up. The ACD Agreement contains detailed provisions relating to the responsibilities of the ACD and excludes it from any liability to the Company or any Shareholder for any act or omission except in the case of fraud, negligence, wilful default, breach of duty or bad faith in relation to the Company on its part. The ACD Agreement provides indemnities to the ACD to the extent allowed by the Regulations and other than for matters arising by reason of its fraud, negligence, wilful default, breach of duty or bad faith in the performance of its duties and obligations. Subject to certain limited exceptions set out in the Regulations, the ACD may retain the services of any person to assist it in the performance of its functions.

Details of the fees payable to the ACD are set out in paragraph 8 below.

The ACD is under no obligation to account to the Depositary, the Company or the Shareholders for any profit it makes.

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

2.2 Depositary

The depositary of the Company is HSBC Bank plc, 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. HSBC Bank plc is authorised by the Prudential Regulation Authority and regulated by the Prudential Regulation Authority and the Financial Conduct Authority.

The Depositary has been appointed as depositary to the Company pursuant to the agreement dated 11 March 2016 between the Company, the ACD and the Depositary (the "Depositary Services Agreement") and for the purposes of and in compliance with the AIFM Directive and the relevant rules in the Handbook.

The Depositary provides services to the Company as set out in the Depositary Services Agreement and, in doing so, shall comply with the AIFM Directive, the OEIC Regulations and the relevant rules in the Handbook.

The Depositary's duties include the following:

- (i) Ensuring that each Fund's cash flows are properly monitored and that all payments made by or on behalf of applicants upon the subscription to shares of each Fund have been received.
- (ii) Safekeeping the assets of each Fund, which includes (i) holding in custody all financial instruments that can be physically delivered to the Depositary; and (ii) verifying the ownership of other assets and maintaining records accordingly.
- (iii) Ensuring that issues, redemptions and cancellations of the shares of each Fund are carried out in accordance with applicable law and the relevant rules in the Handbook.
- (iv) Ensuring that the value of the shares of the each Fund is calculated in accordance with applicable law and the relevant rules in the Handbook.
- (v) Carrying out the instructions of the ACD, unless they conflict with applicable law and the relevant rules in the Handbook.

- (vi) Ensuring that in transactions involving a Fund's assets any consideration is remitted to the Company within the usual time limits.
- (vii) Ensuring that each Fund's income is applied in accordance with applicable law and the relevant rules in the Handbook.

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 may delegate its safekeeping functions subject to the terms of the Depositary Services Agreement.

Under the Depositary Services Agreement the Depositary has agreed that it, and any person to whom it delegates safekeeping of the Scheme Property of the Company, may not re use any of the Scheme Property with which it has been entrusted for its own account.

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

In general, the Depositary is liable for losses suffered by a Fund 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 Fund for the loss of financial instruments of the Fund which are held in its custody.

The liability of the Depositary will not be affected by the fact that it has delegated safekeeping to a third party save where this liability has been lawfully discharged to a delegate (any such discharge will be notified to the shareholders) and consent will be obtained from the ACD to such delegation and discharge in accordance with the Depositary Services Agreement. At the date of this Prospectus, the Depositary has not discharged its liability for the safekeeping of assets in its safekeeping.

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

In the event there are any changes to the Depositary's liability under the AIFM Directive and the relevant rules of the Handbook, the ACD will inform shareholders of such changes without delay.

From time to time actual or potential conflicts of interest may arise between the Depositary and its delegates, for example, and without prejudice to the generality of the foregoing, 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 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 Funds, the Shareholders 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 the Funds 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 and the Funds, or may have other clients whose interests may conflict with those of the Company, the Fund and the Shareholders.

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

2.3 Investment Adviser

The Investment Adviser to the Company is Royal London Asset Management Limited, a company limited by shares and incorporated in England and Wales, registered no 2244297. Its ultimate holding company is The Royal London Mutual Insurance Society Limited, the same as that of the ACD. The Investment Adviser is authorised to carry out designated investment business in the United Kingdom by virtue of the fact that it is authorised and regulated by the Financial Conduct Authority. The Investment Adviser's principal activity is investment management.

Registered Office: 55 Gracechurch Street
 London
 EC3V 0RL

The appointment of the Investment Adviser has been made under an agreement between the ACD and the Investment Adviser (the "Investment Advisory Agreement"). The Investment Adviser is appointed to make investment decisions on behalf of the ACD in relation to the property of the Funds within the limits stipulated by the Act, the Handbook and the investment objectives of each Fund. Deals in respect of these investment decisions are instructed by the Investment Adviser through unconnected brokers, on an arms' length basis. The Investment Advisory Agreement shall continue in effect until terminated by either party.

The terms of the Investment Advisory Agreement include the provision of investment management services to manage the property of the Funds within the investment objectives and restrictions of the Funds, the purchase and sale of investments and on the exercise of voting rights relating to such investments. The Investment Adviser has authority to make decisions on behalf of the ACD on a discretionary basis in respect of day to day investment management of the Scheme Property including authority to place purchase orders and sale orders with regulated dealers and preparation of the Investment Adviser's report half yearly for inclusion in the Company's Report for circulation to Shareholders. Subject to the agreement of the ACD, the Investment Adviser may appoint Sub-Investment Advisers to discharge some or all of these duties. The Investment Advisory Agreement may be terminated by the ACD at any time by written notice to the Investment Adviser, or by the Investment Adviser on three months' written notice or earlier upon the happening of certain specified events.

The Investment Adviser will receive a fee paid by the ACD out of its remuneration received each month from the Funds as explained in paragraph 8 below and is also entitled to receive commission paid by the ACD in respect of investment in the Funds by its clients.

The Investment Adviser will not be considered as a broker fund adviser under the FCA Handbook in relation to the Company. Any third party research received in connection with

investment management services that the Investment Adviser provides to the Funds will be paid for by the Investment Adviser.

2.4 Registrar

The Registrar appointed by the ACD to maintain the Register of Shareholders of the Company is:

DST Financial Services Europe Ltd
DST House
St Nicholas Lane
Basildon
Essex
SS15 5FS

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

2.5 Auditors

The Auditors appointed by the ACD are:

PricewaterhouseCoopers LLP
Atria One
144 Morrison Street
Edinburgh
EH3 8EX

3. Characteristics of Shares in the Funds

3.1 Shares in the Funds

There are two types of shares permissible under the Instrument - income and accumulation. Section 1 will specify whether a particular Fund will issue income or accumulation shares.

Accumulation shares: accumulate income within the Fund's property. Each accumulation share represents an equal share in the relevant Fund.

Income shares: distribute income. Each income share represents an equal share in the relevant Fund.

The purchase of Shares in a particular Fund entitles the holder to participate in the property of that Fund and receive a proportion of any distributable income, which in the case of accumulation shares, shall be represented by an increase in the value of the Shares.

The Instrument allows gross income and gross accumulation Shares to be issued as well as net income and net accumulation Shares. Net Shares are shares in respect of which income allocated to them is distributed periodically to the relevant Shareholders (in the case of income shares) or credited periodically to capital (in the case of accumulation shares), in either case in accordance with relevant tax law net of any tax deducted or accounted for by the Company. Gross Shares are income or accumulation shares where, in accordance with relevant tax law, distribution or allocation of income is made without any tax being deducted or accounted for by the Fund.

Currently all dividend distributions are paid without deduction of tax and, from 6 April 2017 interest distributions will also all be paid without deduction of tax.

3.2 **Classes of Shares**

The Instrument permits the Company to issue various classes of Shares. The Funds currently issue Class M Shares, Class P Shares, Class R Shares and Class S Shares. These are distinguished by their criteria for subscription and fee structure. See Section 1 for further details.

Where a Fund has different classes of Shares any class may attract different charges and so monies may be deducted in unequal proportions. In such circumstances the proportionate interests of the classes within a Fund will be adjusted accordingly.

3.3 **The Register of Shares**

The ACD has appointed DST Financial Services Europe Ltd to establish and maintain a register of Shareholders for each Fund and the register can be inspected free of charge at DST House, St Nicholas Lane, Basildon, Essex, SS15 5FS during normal office hours. The register of Shareholders shall be conclusive evidence as to the persons entitled to the Shares entered in the register. No notice of any trust, express, implied or constructive, shall be entered on the register of Shareholders in respect of any Share and the ACD and the Depositary shall not be bound by any such notice.

4. **The Issue and Redemption of Shares**

4.1 **Application to purchase Shares**

Investors may purchase Shares in a Fund by application in writing and/or by telephone on any UK business day between 9.00 a.m. and 5.00 p.m. (except on Bank Holidays and the afternoons of the business day preceding 25 December and 1 January). The property of each Fund is normally valued at 2:00 p.m. each day for the purpose of determining the issue, redemption and cancellation prices of Shares. For all Funds, all deals will be placed on a forward price basis which is the price calculated by reference to the next valuation point after the purchase or redemption is deemed to be accepted by the ACD. The Cut Off Point for all Funds is at 10.30 a.m. on each dealing day.

For all Funds dealing instructions received before the Cut Off Point on any dealing day will be dealt with at the valuation point on that day and any dealing instructions received on or after 10.30 a.m. will be held over to be dealt with at the 2.00 p.m. valuation point on the following dealing day.

- (i) **Application in Writing:** Investors should complete an application form available from the ACD and send it to the ACD at its Administration Centre with a cheque payable to ROYAL LONDON UNIT TRUST MANAGERS LIMITED. On acceptance of the application, Shares will be sold at the relevant offer price, and a contract note confirming the sale price and the number of Shares sold together with, in appropriate cases, a notice of the applicant's right to cancel, will be issued.
- (ii) **Application by Telephone:** Shares may be purchased by existing investors by telephone either through a professional adviser or direct to the ACD's Dealing Department (Dealers Tel. 03456 04 04 04). On acceptance of telephone instructions Shares will be sold at the relevant offer price and a contract note will be despatched. Telephone calls may be recorded by the ACD, its delegates, their duly appointed agents and any of their respective related, associated or affiliated companies for records keeping, security and/or training purposes, please see paragraph 18.22 below for further information.
- (iii) **Application by electronic messaging systems:** Shares may be purchased via electronic messaging systems used by the ACD, such as EMX or Calastone, through a professional adviser. On acceptance of the electronic deal Shares will be sold at the relevant offer price calculated at the next valuation point and a contract note will be despatched.

Settlement of purchases is due within three business days of the dealing day on which the order was accepted by the ACD.

The ACD may, at its absolute discretion, accept assets in the form of securities in part satisfaction of the cash price from investors wishing to buy Shares.

For customers paying by cheque, payment is due on receipt of the contract note and cheques, made payable to ROYAL LONDON UNIT TRUST MANAGERS LIMITED together with the Name Ticket giving full registration details, should be returned to the ACD at its Administration Centre.

Default by a purchaser in payment of any monies 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.

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. The ACD would only expect to reject an application for Shares when this would be in the interests of Shareholders in the relevant Fund.

Any money we hold on your behalf will be held in a client money bank account. Interest will not be paid on this balance.

4.2 Dealing Charges

The price per Share at which Shares are bought, redeemed or switched is the Net Asset Value per Share. Any initial charge or redemption charge is payable in addition to the price or deducted from the proceeds and is taken from the gross subscription or redemption monies.

4.2.1 Initial Charge

The ACD may impose a charge on the purchase of Shares in each Class. The current initial charge is calculated as a percentage of the amount invested by a potential Shareholder in respect of each Fund as set out in Section 1. The ACD may waive or discount the initial charge at its discretion.

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

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

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

4.2.2 Redemption Charge

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

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

4.2.3 Charges on Switching

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

The ACD's current policy is to only levy a charge on switching between Funds that is no more than the excess of the initial charge applicable to New Shares over the initial charge applicable to the Original Shares. There is currently no charge for switching Shares in one Class of a Fund for Shares in another Class of the same Fund.

4.2.4 Dilution

The actual cost of purchasing, selling or Switching assets and investments in the Funds may deviate from the mid-market value used in calculating its Share price, due to dealing charges, taxes, and any spread between buying and selling prices of a Fund's underlying investments. These costs could have an adverse effect on the value of the Funds, known as "dilution". In order to mitigate the effect of dilution the Regulations allow the ACD to adjust the sale and purchase price of Shares in the Funds to take into account the possible effects of dilution. This practise is known as making a "dilution adjustment" or operating swinging single pricing. The power to make a dilution adjustment may only be exercised for the purpose of reducing dilution in the Funds.

The ACD reserves the right to make a dilution adjustment every day. The dilution adjustment is calculated using the estimated dealing costs of a Fund's underlying investments and taking into consideration any dealing spreads, commission and transfer taxes. The need to make a dilution adjustment will depend on the difference between the value of Shares being acquired and the value of Shares being redeemed as a proportion of the total value of that Fund. The measurement period will typically be a single day but, where a trend develops so that for a number of days in a row there is a surplus of acquisitions or redemptions on each and every day, the aggregate effect of such acquisitions or redemptions as a proportion of the total relevant Fund value may be taken into account.

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

It is the ACD's policy to reserve the right to impose a dilution adjustment on purchases, sales and Switches of Shares of whatever size and whenever made. In the event that a dilution adjustment is made it will be applied to all transactions in a Fund during the relevant measurement period and all transactions during the relevant measurement period will be dealt on the same price inclusive of the dilution adjustment.

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

On the occasions when a dilution adjustment is not applied, if a Fund is experiencing net acquisitions of Shares or net redemptions, there may be an adverse impact on the assets of that Fund attributable to each underlying Share, although the ACD does not consider this to be likely to be material in relation to the potential future growth in value of a Share. As dilution is directly related to the inflows and outflows of monies from a Fund it is not possible to accurately predict whether dilution will occur at any future point in time. Consequently it is also not possible to accurately predict how frequently the ACD will need to make a dilution adjustment.

The dilution adjustment will be applied to the mid price for Shares resulting in a figure calculated up to at least two decimal places. The final digit in this figure will then be rounded either up or down in accordance with standard mathematical principals resulting in the final price for the Shares.

The price of each Class of Share in each Fund will be calculated separately but any dilution adjustment will in percentage terms affect the price of Shares of each Class identically.

The Funds are new funds as at the date of this Prospectus therefore no historic dilution adjustment information can be provided. It is however envisaged (based on future projections) that a dilution adjustment will be applied from time to time.

The dilution adjustment for any one Fund may vary over time because the dilution adjustment for each Fund will be calculated by reference to the costs of dealing in the underlying investments of that Fund, including any dealing spreads, and these can vary with market conditions. A typical dilution adjustment is not expected to exceed 1% when buying or selling Shares.

4.3 Redeeming Shares

Shareholders may redeem Shares in a Fund in writing and/or by telephone daily between 9.00 a.m. and 5.00 p.m. on each business day (except on Bank Holidays and the afternoons of the business day preceding 25 December and 1 January).

The Cut Off Point for all Funds is at 10.30 a.m. on each dealing day. Dealing instructions received after the Cut Off Point will be held over to be effected by reference to the 2.00 p.m. valuation point on the following dealing day.

Shareholders may redeem Shares in a Fund subject to the aforementioned policy on pricing, in the following manner:

- (i) **Notice in Writing:** To redeem Shares, investors should provide a written instruction to the ACD at its Administration Centre with instructions to redeem the relevant number of Shares. The Shares will be repurchased at the price calculated at the valuation point following receipt.
- (ii) **Notice by Telephone:** Shares may be redeemed by telephone either through a professional adviser or direct to the ACD's Dealing Department (Dealers Tel. 03456 04 04 04). On acceptance of telephone instructions, Shares will be repurchased at the relevant price calculated at the next valuation point and a contract note will be despatched. Shareholders wishing to redeem should then return a signed form of renunciation to the ACD, confirming in writing the telephone instructions to redeem the relevant number of Shares. Telephone calls may be recorded by the ACD, its delegates, their duly appointed agents and any of their respective related, associated or affiliated companies for records keeping, security and/or training purposes. Please see paragraph 18.22 below for further information.
- (iii) **Notice by electronic messaging system:** Shares may be redeemed via electronic messaging systems used by the ACD, such as EMX or Calastone, through a professional adviser. On acceptance of the electronic deal Shares will be repurchased at the relevant price calculated at the next valuation point and a contract note will be despatched.

Proceeds of redemption (less, if the proceeds are to be remitted abroad, the cost of such remittance) will be paid no later than the close of business on the third business day following receipt and acceptance of a signed form of renunciation.

If the Shares were only recently acquired the ACD reserves the right to extend the settlement period to the tenth business day following receipt of a signed form of renunciation. This applies to (i) and (ii) above and in the event of a cancellation notice received within the 14 day period.

4.4 Transfer of Shares

Shareholders are entitled to transfer their Shares to another person or body. All transfers must be in writing in the form of an instrument of transfer approved by the ACD for this purpose.

Completed instruments of transfer must be returned to the ACD in order for the transfer to be registered by the ACD.

The ACD currently accepts transfers of title (including renunciation of title in the case of a redemption) to Shares on the authority of electronic instructions transmitted via electronic messaging system. These systems are operated by third party companies and are only available to persons who have entered into agreements with those third party companies. Where instructions are provided by permitted electronic means (as set out above), the ACD (or its delegate):

- (i) must be satisfied that any electronic instructions purporting to be made by a prospective investor or his agent are in fact made by that person;
- (ii) may require the party providing those instructions to provide such further information to the ACD as it considers necessary to satisfy itself as to the authenticity of instructions; and
- (iii) reserves the right to reject or delay the processing or acceptance of such instructions until it is satisfied as to their authenticity.

4.5 Issues of Shares in exchange for In Specie Assets and in-specie redemption

The ACD may arrange for the Company to issue Shares in exchange for assets as well as cash, but will only do so where the amount represents a substantial amount of assets and where it and the Depositary are satisfied that the relevant Fund'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 relevant Fund.

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

The ACD will select the property to be transferred in consultation with the Depositary. The ACD and Depositary must ensure that the selection is made with a view to achieving no more advantage or disadvantage to the Shareholder requesting the redemption than to the continuing Shareholders. Whether the property is transferred or sold there shall be deducted from it a cash amount which would have normally been borne by the Fund on a sale of the property.

4.6 Deferred redemption

If outstanding redemption requests from all holders of Shares of a particular Fund on any dealing day total an aggregate of more than 10% of the Net Asset Value of all the Shares of such Fund in issue on such dealing day, the Company shall be entitled at its discretion to refuse to redeem such number of Shares in issue in that series on that dealing day in excess of 10% in respect of which redemption requests have been received as the Directors shall determine. If the Company refuses to redeem Shares for this reason, the requests for redemption on such date shall be reduced rateably and the Shares to which each request relates which are not redeemed shall be redeemed on each subsequent dealing day in priority to any request received thereafter, provided that the Company shall not be obliged to redeem Shares representing more than 10% of the Net Asset Value of a particular Fund outstanding on

any dealing day, until all the Shares of the Fund to which the original request related have been redeemed.

4.7 Restriction and compulsory transfer and redemption

The ACD may from time to time take such action or impose such restrictions as it may think necessary for the purpose of ensuring that no Shares are acquired or held by any person (including a US 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 (including the United States of America) or which would result in the Company incurring any liability to taxation which the Company is not able to recoup itself or suffering any other adverse consequence. In this connection, the ACD may, inter alia, reject in its discretion any application for the purchase, redemption, transfer or switching of Shares.

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

- (i) are held, directly or indirectly, by or on behalf of US Persons and such Shareholder is unable to provide satisfactory evidence to the contrary; or
- (ii) are owned directly or beneficially in breach of any law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory; or
- (iii) would result in a Fund incurring any liability to taxation which the Fund would not be able to recoup itself or suffering any other adverse consequence (including a requirement to register under any securities or investment or similar laws or governmental regulation of any country or territory); or
- (iv) are held in any manner by virtue of which the Shareholder or Shareholders in question is/are not qualified to hold such Shares or if it reasonably believes this to be the case;

or if the ACD is not satisfied that any Shares may not give rise to a situation discussed in (i), (ii), (iii) or (iv), the ACD may give notice to the Shareholder(s) of the affected Shares requiring the transfer of such Shares to a person who is qualified or entitled to own them or that a request in writing be given for the redemption of such Shares in accordance with COLL.

If any Shareholder upon whom such a notice is served does not within thirty days after the date of such notice transfer his affected Shares to a person qualified to own them or submit a written request for their redemption to the ACD or establish to the satisfaction of the ACD (whose judgement is final and binding) that he or the beneficial owner is qualified and entitled to own the affected Shares, he shall be deemed upon the expiry of that thirty 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.

This may include a situation in which a Shareholder has moved to a different jurisdiction which either does or may give rise to a situation described in (i), (ii), (iii) or (iv) above.

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

4.8 Switching Shares

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

A Shareholder may also at any time, subject to eligibility, switch all or some of his shares in a Fund for units or shares into another authorised fund operated by the ACD (for a list of these funds see Appendix 4) and in such cases a discount in the level of any preliminary charge may be negotiated with the ACD. Such a discount will be entirely at the ACD's discretion.

The Cut Off Point for all the Funds is at 10.30 a.m. on each dealing day. Dealing instructions received after the Cut Off Point will be held over to be effected by reference to the 2.00 p.m. valuation point on the following dealing day.

Telephone switching instructions may be given but Shareholders are required to provide written instructions to the ACD (which, in the case of joint Shareholders, must be signed by all the joint Shareholders) before switching is effected. Telephone calls may be recorded by the ACD, its delegates, their duly appointed agents and any of their respective related, associated or affiliated companies for records keeping, security and/or training purposes. Please see paragraph 18.22 below for further information.

The ACD may at its discretion make a charge on the switching of Shares between Funds or Classes. Any such charge on switching does not constitute a separate charge payable by a Shareholder, but is rather the application of any redemption charge on the Original Shares and any initial charge on the New Shares, subject to certain waivers.

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

The ACD's current policy is to only levy a charge on switching between Funds that is no more than the excess of the initial charge (if any) applicable to New Shares over the initial charge applicable to the Original Shares. There is currently no charge for switching Shares in one Class of a Fund for Shares in another Class of the same Fund. (Note that the shareholder must meet the eligibility criteria in order to switch to the other class of the same Fund).

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

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

Please note that under UK tax law a Switch of Shares in one Fund for Shares in any other Fund is treated as a redemption of the Original Shares and a purchase of New Shares and will, for persons subject to taxation, be a disposal of the Original Shares for the purposes of capital gains taxation, which may give rise to a liability to tax, depending upon the Shareholder's circumstances. However, a switch of Shares from one Class to another within the same Fund is not treated as a disposal of the Original Shares for the purposes of UK capital gains taxation.

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

4.9 Suspension of Issue, Cancellation, Redemption and Sale of 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 and redemption of

Shares in any or all of the Funds where, due to exceptional circumstances, it is in the interests of all the Shareholders in the relevant Fund.

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

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

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

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

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

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

4.10 Publication of Prices

The most recent prices of each Fund are currently published daily on the following website: www.rlam.co.uk. The most recent prices of each Fund can also be obtained by calling 0345 602 3604 which is charged at local rates.

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

4.11 Money Laundering

Under current UK Money Laundering Regulations, the Handbook and the current Joint Money Laundering Steering Group guidance or equivalent to implement the EC Directive, Royal London Unit Trust Managers Limited is required to undertake various checks on all transactions.

These checks involve the need to obtain independent documentary verification of the identity and permanent address of the person applying to open the account, and of any third party making payments into the account. The checks may include an electronic search of information held about such a person, which can incorporate information held on the electoral roll and the use of credit reference agencies.

Completion of our application forms represents permission from you to access this information, in accordance with the General Data Protection Regulation (Regulation (EU) 2016/679 of the European Parliament and the Council of 27 April 2016) and any consequential national data protection legislation.

We are also required to record details of all beneficial owners of investments (i.e. in circumstances where one person owns these investments acting on behalf of another person, for example a trustee, we will need information on the person(s) on whose behalf the investments are held). Consequently we also need this information to be provided.

4.12 International tax reporting

In order to comply with the legislation implementing the United Kingdom's obligations under various intergovernmental agreements relating to the automatic exchange of information to improve international tax compliance (including the United States provisions commonly known as 'FATCA' and the international Common Reporting Standard ('CRS')), the ACD (or its agent) will collect and report information about Shareholders for this purpose, including information to verify their identity and tax status.

When requested to do so by the ACD or its agent, Shareholders must provide information to be passed on to HM Revenue & Customs, and, by them, to any relevant overseas tax authorities.

Prospective investors will be requested by the ACD to provide a self-certification of the requisite information. It is the policy of the ACD to decline to accept new subscriptions for shares until such self-certification has been provided. If the information provided in such a self-certification becomes inaccurate then shareholders should provide a replacement self-certification. In any case where it comes to the attention of the ACD that this information it holds is, or has become, inaccurate then a replacement self-certification will be requested. Shareholders failing to comply with such a request will be reported to HM Revenue & Customs and, by them, to certain overseas tax authorities including those of the United States.

4.13 Cancellation Rights

Where a person purchases Shares the Conduct of Business Sourcebook Instrument 2001 (as amended from time to time) may give the investor the right to cancel the relevant purchase within 14 days of receipt of the requisite notice of a right to cancel. The right to cancel does not arise if (a) the investor is not a private customer, (b) the investor is an execution-only customer, (c) the agreement to purchase is entered into through a direct offer financial promotion, or (d) the agreement is entered into under a customer agreement or during negotiations (which are not ISA related) intended to lead to a client agreement.

4.14 Minimum Values

Various minima apply to transactions in each Fund, although (subject to COLL) these minima may be varied at the discretion of the ACD.

- (i) The minimum value of Shares held by any one Shareholder is shown in Section 1.
- (ii) The minimum values which may be the subject of any one purchase transaction (excluding savings schemes) for an initial purchase and for a subsequent purchase is also shown in Section 1.
- (iii) The minimum value of Shares which may be the subject of any one sale transaction is shown in Section 1 (subject to the resulting balance of Shares held by such Shareholder being not less than the minimum holding).

The ACD may exercise the right to redeem the remaining shares of a holding that has dropped below the minimum, which is shown in Section 1. These limits may be waived or reduced on a case by case basis at the ACD's discretion and no mandatory policy exists.

4.15 Market Timing

The repeated purchasing and selling of Shares in response to short-term market fluctuations is known as "market timing" or "late trading". Shares in a Fund are not intended for market timing or late trading. The ACD has a policy to prevent market timing and late trading. As part of its policy, the ACD may refuse to accept an application for Shares from persons that they reasonably believe are engaged in market timing or late trading.

4.16 **Non Certificated Funds**

All Funds are non-certificated and no share certificates are issued. Title to the shares is evidenced by entries on the relevant Register of Shareholders which is maintained by the Registrar. Shareholders will receive a statement of their holdings twice per year.

5. Valuation

5.1 Daily Valuations

For the purposes of determining the prices at which Shares may be purchased from or redeemed by the ACD, the ACD will carry out a valuation of the property of the Funds at 2.00 p.m. (the "valuation point") on each business day (a day on which The London Stock Exchange Limited is open for business), unless otherwise agreed by the Depositary. However, the ACD may, at its discretion, value the Funds at any other time.

For the purposes of preparing past performance data only, an additional valuation of the property of the Funds is carried out (under the same methodology as valuations carried out at the 2.00 p.m. valuation point) at 5.00 p.m. on the last business day of each calendar month. In particular, this will not be a valuation point for the purpose of dealing in Shares.

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

The ACD will, upon completion of each valuation, notify the Depositary of the price of Shares, of each Class of each Fund and taking into account any dilution adjustment applicable in respect of any purchase or redemption of Shares.

A request for dealing in Shares must be received by 10.30 a.m. on a particular dealing day in order to be processed on that dealing day. A dealing request received after this time will be held over and processed on the next dealing day, using the Net Asset Value per Share calculated as at the Valuation Point on that next dealing day.

5.2 Calculation of the Net Asset Value

- 5.2.1 The value of the scheme property of the Company or Fund (as the case may be) shall be the value of its assets less the value of its liabilities determined in accordance with the following provisions.
- 5.2.2 All the scheme property (including receivables) is to be included, subject to the following provisions.
- 5.2.3 Property which is not cash (or other assets dealt with in paragraph 5.2.4) or a contingent liability transaction shall be valued as follows and the prices used shall be (subject as follows) the most recent prices which it is practicable to obtain:
 - 5.2.3.1 units or shares in a collective investment scheme:
 - 5.2.3.2 if, a single price for buying and selling units or shares is quoted, at the most recent such price; or
 - 5.2.3.3 if, separate buying or 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 excludes any exit or redemption charge attributable thereto; or

- 5.2.3.4 if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or no recent price exists or if the most recent price available does not reflect the ACD's best estimate of the value of the units or shares, at a value which, in the opinion of the ACD, is fair and reasonable (and for the value of units or shares in funds of which it is also the authorised fund manager, the ACD accordingly uses those funds' prices calculated to a greater number of significant figures than the published prices, which are expressed in accordance with the requirements of COLL so they are accurate to at least four significant figures);
- 5.2.3.5 any other transferable security:
- 5.2.3.6 if, a single price for buying and selling the security is quoted, at that price; or
- 5.2.3.7 if, separate buying and selling prices are quoted, the average of those two prices; or
- 5.2.3.8 if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no price exist or if the most recent price available does not reflect the ACD's best estimate of the value of the securities, at a value which in the opinion of the ACD is fair and reasonable;
- 5.2.3.9 property other than that described in 5.2.3 and 5.2.3.4 above: at a value which, in the opinion of the ACD, represents a fair and reasonable mid-market price.
- 5.2.4 Cash and amounts held in current and deposit accounts and in other time-related deposits shall normally be valued at their nominal values.
- 5.2.5 Property which is a contingent liability transaction shall be treated as follows:
 - 5.2.5.1 if a written option (and the premium for writing the option has become part of the scheme property), the amount of the net valuation of premium receivable shall be deducted. If the property is an off-exchange derivative the method of valuation shall be agreed between the ACD and Depositary;
 - 5.2.5.2 if an off-exchange future, it will be included at the net value of closing out in accordance with a valuation method agreed between the ACD and the Depositary;
 - 5.2.5.3 if any other form of contingent liability transaction, it will be included at the mark to market value (whether as a positive or negative value). If the property is an off-exchange derivative, it shall be included at a method of valuation agreed between the ACD and Depositary.
- 5.2.6 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.
- 5.2.7 Subject to paragraphs 5.2.8 and 5.2.9 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 value amount.

- 5.2.8 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 5.2.7.
- 5.2.9 All agreements are to be included under paragraph 5.2.7 which are, or ought reasonably to have been, known to the person valuing the property.
- 5.2.10 An estimated amount for anticipated tax liabilities at that point in time including (as applicable and without limitation) capital gains tax, income tax, corporation tax, value added tax, stamp duty, stamp duty reserve tax and any foreign taxes and duties will be deducted.
- 5.2.11 An estimated amount for any liabilities payable out of the scheme property and any tax thereon treating periodic items as accruing from day to day will be deducted.
- 5.2.12 The principal amount of any outstanding borrowings whenever repayable and any accrued but unpaid interest on borrowings will be deducted.
- 5.2.13 An estimated amount for accrued claims for repayments of tax of whatever nature to the Company which may be recoverable will be added.
- 5.2.14 Any other credits or amounts due to be paid into the scheme property will be added.
- 5.2.15 A sum representing any interest or any income accrued due or deemed to have accrued but not received will be added.
- 5.2.16 The amount of any adjustment deemed necessary by the ACD to ensure that the Net Asset Value is based on the most recent information and is fair to all Shareholders will be added or deducted as appropriate.
- 5.2.17 Currencies or values in currencies other than base currency or (as the case may be) the designated currency of a Fund shall be converted at the relevant valuation point at a rate of exchange that is not likely to result in any material prejudice to the interests of Shareholders or potential Shareholders.

5.3 The Price of Shares in each Fund and each Share Class

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

The price per Share at which Shares are bought or are redeemed is the Net Asset Value per Share. Any initial charge or redemption charge is payable in addition to the price or deducted from the proceeds and is taken from the gross subscription or redemption monies.

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

5.4 Fair value pricing

- 5.4.1 Where the ACD has reasonable grounds to believe that:
 - 5.4.1.1 no reliable price exists for a security at a Valuation Point; or
 - 5.4.1.2 the most recent price available does not reflect the ACD's best estimate of the value of the security at the Valuation Point,

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

5.4.2 The circumstances which may give rise to a fair value price being used include:

5.4.2.1 no recent trade in the security concerned; or

5.4.2.2 the occurrence of a significant event since the most recent closure of the market where the price of the security is taken.

5.4.3 In determining whether to use such a fair value price, the ACD will include in its consideration:

5.4.3.1 the type of Fund;

5.4.3.2 the securities involved;

5.4.3.3 the basis and reliability of the alternative price used; and

5.4.3.4 the ACD's policy on the valuation of scheme property as disclosed in this Prospectus.

5.5 **Box management**

The ACD's primary objective in managing the box is to provide an efficient and orderly market for the Funds. The generation of profit is not a primary driver or intention and is not detrimental to investors.

Any profits and/or losses which the ACD does make in connection with the sale and repurchase of Shares will be retained by the ACD.

The ACD is under no obligation to account to the Depositary or to the Shareholders (or any of them) for any profits made by the ACD on the issue of Shares in the Fund or on the re-issue or cancellation of Shares previously redeemed by the ACD.

6. **Shareholder meetings**

6.1 **General**

The Company shall not hold annual general meetings.

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

6.2 **Notice and quorum**

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

6.3 **Shareholders**

Shareholders for these purposes mean those Shareholders on the Shareholder register or a date seven days before the notice of the meeting is sent out.

6.4 Voting

The following provisions apply to voting at a general meeting:

- 6.4.1 At meetings of Shareholders an extraordinary resolution (meaning a resolution carried by a majority consisting of 75% of the total number of votes cast for and against such resolution) put to the vote of the meeting shall 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 one or more holders present in person or by proxy.
- 6.4.2 Except where the COLL Sourcebook or the Instrument require an extraordinary resolution (which needs at least 75% of the votes cast at the meeting to be in favour if the resolution is to be passed) any resolution required by the COLL Sourcebook will be passed by a simple majority of the votes validly cast for and against the resolution.
- 6.4.3 Unless a poll is so demanded a declaration by the chairman that a resolution has been carried or carried unanimously or by a particular majority or lost shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour or against such resolution.
- 6.4.4 If a poll is duly demanded it shall be taken in such manner as the chairman may direct and the result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- 6.4.5 A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith and a poll demanded on any other question shall be taken at such time and place as the chairman directs.
- 6.4.6 The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.
- 6.4.7 On a show of hands every Shareholder who (being an individual) is present in person or by proxy or (being a corporation) is present by one of its officers as its proxy shall have one vote.
- 6.4.8 On a poll every Shareholder who is present in person or by proxy shall have one vote for every complete Share and a further part of one vote proportionate to any fraction of a Share of which he is the holder, and a Shareholder entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.
- 6.4.9 A corporation being a Shareholder may authorise such person as it thinks fit to act as its representative at any meeting of holders and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as the corporation could exercise if it were an individual Shareholder.
- 6.4.10 In the case of joint Shareholders the vote of the senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint Shareholders and for this purpose seniority shall be determined by the order in which the names stand in the register of Shareholders.
- 6.4.11 On a poll votes may be given either personally or by proxy.
- 6.4.12 In order to be valid, a vote by proxy must be deposited at such place as the Depositary, or the ACD with the approval of the Depositary, may in the notice convening the meeting direct (or if no such place is appointed then at the registered office of the ACD) at least 48 hours prior to the meeting.

- 6.4.13 The ACD may not be counted in the quorum for a meeting and neither the ACD nor any associate (as defined in the COLL Sourcebook) of the ACD is entitled to vote at any meeting of the Fund except in respect of Shares which the ACD or associate holds on behalf of or jointly with a person who, if the registered Shareholder, would be entitled to vote and from whom the ACD or associate has received voting instructions.
- 6.4.14 Where a receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any Shareholder on the ground (however formulated) of mental disorder, the ACD may in its absolute discretion upon or subject to production of such evidence of the appointment as the ACD may require, permit such receiver or other person on behalf of such Shareholder to vote on a poll in person or by proxy at any meeting of Shareholders or class meeting or to exercise any right other than the right to vote on a show of hands conferred by ownership of Shares in relation to such a meeting.
- 6.4.15 No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is or may be given or tendered and every vote may be disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the chairman of the meeting whose decision shall be final and conclusive.
- 6.4.16 An instrument appointing a proxy shall be in writing in any usual or common form or in any other form which the ACD may approve or in its absolute discretion accept (including as to how it may be signed or sealed). The signature on such instrument need not be witnessed. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the ACD) be lodged with the instrument appointing the proxy pursuant to the next following paragraph, failing which the instrument may be treated as invalid.
- 6.4.17 An instrument appointing a proxy must be left at or delivered to such place or one of such places (if any) as may be specified for the purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified, to or at the ACD's head office) by the time which is forty-eight hours before the time appointed for the holding of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used and, in default, may be treated as invalid. The instrument appointing a proxy shall, unless contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates.
- 6.4.18 A vote cast by proxy shall not be invalidated by the previous death or bankruptcy of the principal or by other transmission by operation of law of title to the Shares concerned or by the revocation of the appointment of the proxy or of the authority under which the appointment of the proxy was made provided that no intimation in writing of such death, insanity or revocation shall have been received by the ACD at its head office by the time which is two hours before the commencement of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll at which the vote is cast.
- 6.4.19 Any corporation which is a holder of Shares in a Fund may by resolution of the directors or other governing body of such corporation and in respect of any Share or Share in the Fund of which it is the holder authorise such individual as it thinks fit to act as its representative at any general meeting of the Shareholders or of any class meeting. The individual so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise in respect of such Share or Shares if it were the individual Shareholder in the Fund and such corporation shall for the purposes of

the Instrument be deemed to be present in person at any such meeting if an individual so authorised is present.

7. How distributable income is determined and paid

7.1 General

Group 1 shares are those shares held throughout the accounting period and which you held on the period end date. You are therefore entitled to treat the entire distribution as income.

Group 2 shares are those shares purchased during the accounting period and which you held on the period end date. They may constitute all or part of your shareholding.

In order to determine the amount of income distributable to holders of income shares, the distribution policy of the ACD is to distribute all available income, after deduction of those expenses which are chargeable in calculating the distribution.

The ACD calculates the total income generated from the Fund's investments, i.e. interest and dividend income, and then deducts from this all expenses, other than those relating to the purchase and sale of investments and stamp duty reserve tax.

The ACD's periodic fee is deducted from income for the purpose of calculating the distribution for those Funds which only issue accumulation Shares. For those Funds which issue only income Shares, the management charge is deducted from capital and all income is distributed. For those Funds which issue both income and accumulation Shares, the ACD's management charge is distributed from income.

A distribution warrant or an advice of the amount of the income distributed to the Shareholder, is sent to each Shareholder with the Interim and Annual Reports in the case of income Fund.

Shareholders may elect to reinvest income into the Fund from which it originated.

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

7.2 ACD's policy on smoothing of income distributions within an annual accounting period

In order to conduct a controlled dividend flow to Shareholders, interim distributions will be made at the ACD's discretion, up to a maximum of the distributable income available for the period. All remaining income is distributed in accordance with COLL.

In the case of the Royal London Monthly Income Bond Fund, which aims to make monthly distributions, the ACD will as far as possible attempt to smooth the monthly distributions payable by each relevant Share Class during the year. The income payable each month will be calculated as approximately 80% of the anticipated annual income (in percentage terms) divided by 12 months. Income received in months with above average expectations will be carried over in order to supplement the income in months with lower levels of income receipt. This is however no guarantee that an equal level of income will be maintained in all months. The first 11 months of the accounting year will be smoothed, with the balance paid out at the last date. There is a possibility that the Fund will not pay out any income in the last month. In the event that the last month could be negative, the ACD will reduce the 11th month accordingly to ensure the Fund does not 'over distribute'.

Each accounting year, the smoothed level of monthly income to be paid out will be reviewed by the ACD and may be adjusted.

7.3 Income equalisation

Income equalisation will be applied to Shares issued by the Company.

Part of the purchase price of a Share reflects the relevant share of accrued income received or to be received by the Fund. This capital sum is returned to a Shareholder with the first allocation of income in respect of a Share issued during the relevant accounting period. Any equalisation received from distributions from underlying funds will not be distributed but taken to capital of the appropriate Fund.

The amount of equalisation is calculated by dividing the aggregate of the amounts of income included in the price of Shares issued to or bought by Shareholders in an annual or interim accounting period by the number of those Shares and applying the resultant average to each of the Shares in question.

7.4 Unclaimed distributions

Each distribution warrant contains a request that it be presented for payment to a bank within six months, otherwise it should be sent back to the Registrar to make suitable arrangements for it to be revalidated. Any such distribution payment not claimed by the payee will be treated in accordance with the client money rules in the Handbook as described in paragraph 15 below.

7.5 Reports

The ACD's annual reports will be published four months after the end of the appropriate annual accounting period each year and the ACD's half-yearly reports will be published two months after the end of the appropriate half-yearly accounting period each year. Long reports are available on request from the ACD.

8. Expenses of the Funds

8.1 ACD's preliminary charge

The ACD is permitted to include in the sale price of the shares of a Fund a preliminary charge (plus value added tax if applicable) of the price of those shares, as shown in Section 1.

The current preliminary charge will only be increased at least 60 days after the ACD has given notice in writing of the increase and the date of its commencement to regular savers and after the ACD has made available a revised Prospectus showing the new rate and its commencement date.

8.2 ACD's periodic charge

The ACD is entitled under the Instrument to make a periodic management charge. At the date of publication, the ACD makes a periodic management charge at the rate shown in Section 1 (plus value added tax if applicable) per annum, although the ACD reserves the right to review these levels. The periodic management charge is calculated on a daily basis and deducted monthly from the property of the Fund. The ACD's periodic charge is currently deducted from the income property of the Funds which issue only accumulation units and from the capital property for Funds which only issue income units. For the Funds which issue both income and accumulation units, the ACD's periodic charge is currently deducted from the income property of the Funds. The ACD reserves the right to split charges to both income and capital. The ACD's periodic charge will only be increased by giving relevant Shareholders 60 days' written notice and making available a revised Prospectus.

If the ACD and the Depositary have agreed that all or part of any income expense payments may be treated as a capital expense charges may be deducted from the capital account of the respective Funds. Shareholders are advised that this policy may result in capital erosion or constrain capital growth. Please refer to Section 1 for details relating to each Fund.

8.3 Depositary's Fees and Expenses

The Depositary's remuneration, that is payable out of the assets of the relevant Fund, is a periodic charge at such annual percentage of the value of the property of each Fund as is set out below, with the property of each Fund being valued and such remuneration accruing and being paid on the same basis as the ACD's periodic charge. Currently, the ACD and the

Depository have agreed that the Depository's remuneration in respect of each Fund shall be calculated on a sliding scale as follows:

<u>Band Range</u>	<u>Fee</u>
On the First GBP £30 million	1.5 Basis Points (0.015%)
On the Next GBP £70 million	1.25 Basis Points (0.0125%)
On the Next GBP £100 million	1.0 Basis Points (0.010%)
On the Balance over GBP £200 million	0.5 Basis Points (0.005%)
In addition to the above, each Fund is subject to an additional charge of £3,500 per Fund per annum.	

The Depository is also entitled to receive out of the property of each Fund remuneration for performing or arranging for the performance of the functions conferred on the Depository by the Instrument or COLL. The Depository's remuneration under this paragraph shall accrue when the relevant transaction or other dealing is effected and shall be paid in arrears on the next following date on which the payment of the Depository's periodic charge is to be made or as soon as practicable thereafter. Currently the Depository does not receive any remuneration under this paragraph.

HSBC Bank plc is entitled to receive from the Scheme Property, fees in relation to the provision of custodian services. HSBC Bank plc's remuneration for acting as Custodian is calculated at an ad valorem rate determined by the territory or country in which the assets of the Funds are held. Currently, the lowest rate is 0.16 basis points (0.0016%) and the highest rate is 8.5 basis points (0.085%). In addition, the Custodian makes a transaction charge determined by the territory or country in which the transaction is effected. Currently, these transaction charges range from £5 - £45 per transaction.

In addition to the remuneration referred to above, the Depository will be entitled to receive reimbursement for expenses properly incurred by it in the discharge of its duties or exercising any of the powers conferred upon it in relation to the Funds, subject to approval by the ACD.

8.4 Other Expenses of the Funds

8.4.1 The following further expenses may be paid out of the property each of the Funds:-

8.4.1.1 Broker's commission, fiscal charges and other disbursements which are:-

- (a) necessary to be incurred in effecting transactions for the Fund; and
- (b) normally shown in contract notes, confirmation notes and difference accounts as appropriate; and

8.4.1.2 Interest on borrowings permitted under the Instrument and COLL, and charges incurred in effecting or terminating such borrowings or in negotiating or varying the terms of such borrowings; and

8.4.1.3 Taxation and duties payable in respect of the property of the Fund, the Instrument or the issue of Shares; and

8.4.1.4 Any costs incurred in modifying the Instrument including costs incurred in respect of meetings of holders convened for purposes which include the purpose of modifying the Instrument where the modification is:-

- (a) necessary to implement or necessary as a direct consequence of any change in the law (including changes in COLL); or
 - (b) expedient having regard to any change in the law made by or under any fiscal enactment and which the ACD and the Depositary agree is in the interest of holders; or
 - (c) to remove from the Instrument obsolete provisions; and
- 8.4.1.5 Any costs incurred in respect of meetings of holders convened by the Depositary or on a requisition by Shareholders not including the ACD or an associate of the ACD; and
- 8.4.1.6 Liabilities on unitisation, amalgamation or reconstruction where the property of a body corporate or other collective investment scheme is transferred to the Depositary in consideration of the issue of Shares to Shareholders in that body or to participate in the other scheme in accordance with COLL; and
- 8.4.1.7 The audit fee properly payable to the auditor and value added tax thereon plus any proper expenses of the auditor; and
- 8.4.1.8 The periodic fees of the FCA under the Financial Services and Markets Act 2000 or the corresponding periodic fees of any regulatory authority in a country or territory outside the United Kingdom in which Shares in the Funds are or may be marketed; and
- 8.4.1.9 Costs of establishing and maintaining the register and/or plan sub-register which include the following; (i) £20.70 per Shareholder per account for Shareholder registration; (ii) £1,895.69 in relation to each distribution of income made to Shareholders in respect of each Class; (iii) £23.71 per Shareholder transaction in shares and (iv) client accounting costs in relation to the register and/or plan sub-register based on a fixed fee for all funds within the Company, the Royal London Bond Funds ICVC and Royal London Equity Funds ICVC and borne equally by each fund, and fees ranging from £1,777.69 to £5,929.82 per annum for each Class. The fee is reviewed on an annual basis and may be varied by the Registrar in line with the Retail Prices Index in January of each year using the most recently published Index figure up to and towards the maximum. The Retail Prices Index is published each year on a Tuesday approximately a month after the calculation of the Index (see details below of how to obtain a copy of the Index). The revised fees will be notified in the next shareholder's statement of account. Copies of the Retail Prices Index can be obtained from the Office for National Statistics, Consumer Prices and General Inflation Division, D2/14 1 Drummond Gate, London SW1V 2QR; and
- 8.4.1.10 Any legal fees for advice or legal services provided to the Company; and
- 8.4.1.11 Any costs incurred in the termination of Funds; and
- 8.4.1.12 Any costs incurred in the production and distribution of regulatory materials; and
- 8.4.1.13 Any costs incurred for the review and rating of any Fund by an external rating agency; and
- 8.4.1.14 Any costs incurred for the monitoring and reporting on derivatives as required for regulatory purposes; and

- 8.4.1.15 Any licence fees, e.g. for use of FTSE or other benchmarks, and associated fees; and
- 8.4.1.16 Subject to current HM Revenue & Customs regulations, value added tax at the prevailing rate may be payable in connection with the Depositary's remuneration, the Custodian's remuneration and any of the expenses above.

8.5 Allocation of fees and expenses between Funds

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

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

Where charges including the ACD's periodic charge, depositary's fees and other expenses are deducted from the capital property of a Fund, this can have the effect of constraining or even eroding capital growth of that Fund. Refer to Section 1 for details of which Funds charge fees and expenses to capital.

9. Taxation

This information is based on United Kingdom law and practice known at the date of this document. **Please note that the tax treatment of investors depends on their individual circumstances and may be subject to change in the future.** Shareholders are, therefore, recommended to consult their professional adviser if they are in any doubt as to their tax position.

The Funds are authorised schemes and accordingly are not liable to tax on capital gains on the disposal of any of the property of the Funds (including interest bearing securities). Income derived from the property of the Funds (other than dividends from UK and non-UK resident companies and any part of dividend distributions from UK open-ended investment companies and UK authorised unit trusts which represent such dividends) less deductible expenses is chargeable to corporation tax at 20%. Credit is usually available for foreign withholding tax at treaty rates on income derived from non-UK investments against any UK corporation tax liability thereon. Claims are submitted to the overseas countries concerned where withholding tax is deducted in excess of treaty limits.

Funds with 60% or less of their investments throughout the year in interest bearing or economically similar investments are referred to below as "equity" funds. Funds with over 60% of their investments throughout the year in interest bearing or economically similar investments are referred to below as "bond" funds.

All the Funds are Equity Funds except for Royal London GMAP Conservative Fund, Royal London Monthly Income Bond Fund and Royal London Multi Asset Strategies Fund which are Bond Funds.

Equity Funds: Income allocations to Shareholders are classified as dividend distributions. No tax is deducted from dividend distributions. There is no longer any tax credit attached to them.

From 6 April 2018 the first £2,000 of dividends received (or deemed to be received) by a UK resident individual in a tax year (the dividend allowance) is not subject to income tax. Above this level, the income tax rates applying to dividends are currently 7.5% for basic rate taxpayers, 32.5% for higher rate taxpayers and 38.1% for additional rate taxpayers. (For tax years 2016-17 and 2017-18 the dividend allowance was £5,000).

Corporate Shareholders who receive dividend distributions may have to divide them into two parts (the division will be indicated on the tax voucher). Any part representing income which has been liable to corporation tax in the Fund must be treated by the corporate Shareholder as an annual payment made after deduction of income tax at the basic rate, and corporate Shareholders may be subject to tax on the grossed up amount, with the benefit of a 20% deemed income tax deduction, or be able to reclaim part or all of the deemed tax deducted (excluding any representing foreign tax) as shown on the tax voucher. The remainder (including any part representing dividends received by the Fund from a company) will be treated as dividend income and, consequently, will be exempt from corporation tax.

Alternatively, however, if, at any time in a corporate investor's accounting period, the Fund fails the qualifying investments test (has over 60% of its net asset value held as interest bearing or economically similar investments) then Shareholders chargeable to corporation tax are taxable under the loan relationships rules and must account for tax on the the fair value movement of their interest in the Fund (including any distributions).

Non-UK resident Shareholders may be liable to tax on dividend distributions in their own country.

Bond Funds: Income allocations to Shareholders are classified as interest distributions.

No tax is deducted from interest distributions and no tax credit is attached to them.

For UK resident basic rate taxpayers, the first £1,000 of interest (including interest distributions) received in a tax year is not taxable, after which any excess income is taxed at the rate of 20%. For higher rate taxpayers the allowance will be £500, after which the tax rate is 40%, and for additional rate taxpayers there is no allowance and the tax rate applying is 45%.

Shareholders who are chargeable to corporation tax will be liable to tax, under the loan relationships rules, on the fair value movement of their interest in the Fund including the gross amount of interest distributions.

Non-UK resident Shareholders may be liable to tax on interest distributions (which are normally treated as dividends for tax treaty purposes) in their own country.

For all income allocations: A tax voucher showing the amount of the income distributed or deemed to be distributed to the Shareholder and any tax deducted, where applicable, will be sent to Shareholders at the time of distribution.

The first income allocation received by an investor after buying Shares may include an amount of income equalisation. This is effectively a repayment of the income paid by the investor as part of the purchase price. It is a refund of capital and not taxable. Rather it should be deducted from the allowable cost of the Shares for capital gains tax purposes (except where corporate investors invest in a bond fund).

Capital gains

The sale of Shares by a Shareholder will constitute a disposal for the purposes of tax on capital gains.

The extent of any liability to tax will depend upon the particular circumstances of Shareholders, but individual Shareholders resident in the UK will not be liable to tax on their capital gains unless their chargeable gains from all sources are in excess of the annual exemption. A Shareholder who is an individual, and is not resident in the UK, would not normally be liable to UK tax on capital gains.

Income allocations received in respect of accumulation Shares may be deducted in computing the capital gain on disposal of those Shares.

For Shareholders within the charge to corporation tax, net capital gains on Equity Funds will normally be added to the profits chargeable to corporation tax but, as described above, they

must treat holdings in Bond Funds and any other Funds which fail the qualifying investment test, as creditor relationships subject to a fair value basis of accounting.

International and UK tax reporting

In order to comply with the legislation implementing the United Kingdom's obligations under various intergovernmental agreements relating to the automatic exchange of information to improve international tax compliance (including the United States provisions commonly known as 'FATCA' and the international Common Reporting Standard ('CRS')), the ACD (or its agent) will collect and report information about Shareholders for this purpose, including information to verify their identity and tax status.

When requested to do so by the ACD or its agent, Shareholders must provide information to be passed on to HM Revenue & Customs, and, by them, to any relevant overseas tax authorities.

Shareholders refusing to provide the requisite information to the ACD may be reported to HM Revenue & Customs, and, by them, to certain overseas tax authorities including those of the United States. If a prospective investor is concerned about this, he should take appropriate advice.

The Funds are also required to report to HMRC, on request, details of interest paid to UK residents.

10. Risk Factors

10.1 General Market Risks

Any stock market investment involves risk. Some of these risks are general, which means that they apply to all Funds. Others are specific, which means that they apply to individual Funds. Before you decide to invest, it is important to understand these risks. If you are unsure, please seek professional advice from an Independent Financial Adviser.

10.2 Market Risks

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

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

If you transfer or switch into Royal London's Funds you should appreciate that during a part of the period of transfer your investment will be in cash. This means that until your cash is reinvested into the Royal London Fund(s) of your choice you will not be exposed to any gains or falls in stock markets.

10.3 Effect of charges from capital

The effect of taking charges from capital can be to reduce the growth potential of the capital value of the investment but will increase the amount of income (which may be taxable) available for distribution to Shareholders in the Fund concerned. This risk warning currently applies just to Royal London Monthly Income Bond Fund. For any Funds that take charges from income, charges will be taken from capital where insufficient income is available. Currently all funds, except Royal London Monthly Income Bond Fund, take charges from income.

10.4 Performance risk

There will be a variation in performance between Funds with similar objectives due to the different assets selected. Funds aiming for relatively high performance can incur greater risk than those adopting a more standard investment approach. There is no guarantee for the performance of your investment and investors may get back less than they put in.

NOTE Remember the price of Shares and income from them can go down as well as up. The Funds should generally be regarded as medium to long-term investments. Statements in this document concerning taxation are based on the taxation laws in force at the time of publication.

10.5 Capital risk

Where an initial charge is imposed, an investor who sells their shares after a short period may not (even in the absence of a fall in the value of the relevant investments) realise the amount originally invested.

Having purchased shares you will be entitled, should you wish, to cancel the contract within fourteen days of receipt of the contract note. If the value of a lump sum investment falls before notice of cancellation is given, a full refund of the original investment may not be provided but rather the original amount less any fall in value. If the value rises before cancellation is given, only the original amount shall be returned.

10.6 Efficient Portfolio Management (EPM) techniques

The Funds may make use of EPM techniques (including stock lending and reverse repurchase transactions) to reduce risk and/or costs in the Fund and to produce additional capital or income in the Funds in a manner which is economically appropriate and with an acceptable level of risk. Techniques used by the Fund may include using derivatives for hedging against price or currency fluctuations, engaging in securities lending and reverse repurchase transactions. Further details on these techniques can be found in Appendix 2 (Investment and Borrowing Powers).

In adverse situations, however, a Fund's use of EPM techniques may be ineffective and the Fund may suffer significant loss as a result. The Fund's ability to use EPM strategies may be limited by market conditions, regulatory limits and tax considerations.

EPM techniques may involve a Fund entering into derivative transactions or securities lending transactions with a counterparty where there may be a risk that a counterparty will wholly or partially fail to honour its contractual obligations. To mitigate that risk, the counterparties to these transactions may be required to provide collateral to the Fund. The counterparty will forfeit its collateral if it defaults on the transaction. However, in the event of counterparty default, if the collateral is in the form of securities, there is a risk that when it is sold it will realise insufficient cash to settle the counterparty's liability to the Fund. This may result in losses for investors. To manage this risk, the ACD has in place a collateral management policy which details the eligible categories of acceptable collateral and the haircuts which will typically be applied when valuing certain categories of collateral received. Please see paragraph 18.18 below for further information on the collateral management policy.

There is no guarantee that the Fund will achieve the objective for which it entered into a transaction in relation to EPM. Stock lending transactions may, in the event of a default by the counterparty, result in the securities lent being recovered late or only in part. This may result in losses for investors.

10.7 Derivatives for investment purposes

The Funds may invest in derivatives and forward transactions for investment purposes (except Royal London Monthly Income Bond Fund). The use of these instruments may from time to time expose a particular Fund to volatile investment returns and increase the volatility of the net asset value of a Fund.

Whilst the prudent use of derivatives can be beneficial for a Fund, investing in derivatives, including commodity derivatives, does carry the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in a Fund being leveraged (where economic exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions leverage may magnify losses.

10.8 **Inflation risk**

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

10.9 **Dilution**

The Funds may experience a reduction in value as a result of the costs incurred in the purchase and sale of their underlying investments and the spread between buying and selling prices of such investments. Accordingly, the ACD may apply a dilution adjustment on the issue and/or redemption of Shares. Where a dilution adjustment is not applied, the Fund in question may incur dilution which may constrain capital growth.

10.10 **Tax**

The value of current tax relief depends on individual circumstances. The rates of and relief from taxation may change over time. Additional tax information is set out elsewhere in this Prospectus. If you have any doubts about your tax position, you should seek professional advice.

10.11 **Credit and fixed interest security risks**

Fixed interest securities are particularly affected by trends in interest rates and inflation. If interest rates go up, the value of capital may fall, and vice versa. Inflation will also decrease the real value of capital.

Unlike the income from a single fixed interest security, the level of income (yield) from any Fund is not fixed and may go up and down.

If the income yield is higher than the redemption yield, there is the possibility that the capital will be eroded.

The value of a fixed interest security will fall in the event of the default or reduced credit rating of the issuer. Generally, the higher the rate of interest, the higher the perceived credit risk of the issuer.

Unlike income from an individual bond, the level of income from the Funds is not fixed and may fluctuate.

10.12 **Currency Exchange Rates**

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

10.13 **Exchange Traded Funds**

The Funds may invest in certain Exchange Traded Funds. These funds represent a basket of securities that are traded on an exchange and therefore, unlike collective investment schemes, they do not necessarily trade at the net asset value of their underlying holdings. As a result they may trade at a price which is above or below the value of the underlying portfolio.

10.14 **Liabilities of the Company and Funds**

Each Fund is a segregated portfolio of assets and those assets can only be used to meet the liabilities of, or claims against, that Fund. Whilst the Regulations provide for segregated liability between Funds, the concept of segregated liability is relatively new. Accordingly, where claims are brought by local creditors in foreign courts or under foreign law contracts, it is not yet known whether a foreign court would give effect to the segregated liability and cross-investment provisions contained in the Regulations. Therefore, it is not possible to be certain that the assets of a Fund will always be completely insulated from the liabilities of another Fund of the Company in every circumstance.

10.15 Depositary Handling Scheme Property

The Depositary has a duty to ensure that it safeguards and administers the Scheme Property in compliance with the Handbook governing the protection of client assets ("Client Asset Rules"). The Depositary is not under a duty to comply with the Handbook on handling money received or held for the purpose of buying or selling securities and investments ("Client Money"). Moreover, with respect to handling Scheme Property in the course of delivery versus payment transactions through a commercial settlement system ("CSS"), the Scheme Property may not be protected under the Client Asset Rules. In the event that the Depositary becomes insolvent or otherwise fails, there is a risk of loss or delay in return of any Scheme Property which consists of Client Money, client assets held in a CSS or any other client assets which the Depositary or any of its delegates is not required or has failed to hold in accordance with the Client Asset Rules.

10.16 Investment in unregulated collective investment schemes

Subject to COLL, the Company may invest in unregulated collective investment schemes (including hedge funds or hedge fund of funds). Investment in unregulated collective investment schemes carries additional risks to investments in regulated collective investment schemes as these may not be under the regulation of a competent regulatory authority in their jurisdiction of origin; the protection of the investors may therefore be much more limited or non-existent. Unregulated collective investment schemes may use leverage and may carry increased liquidity risks as units/shares in such schemes may not be readily realisable and that the regulatory protection of the investor may therefore be much more limited or non-existent.

10.17 Non-UCITS retail schemes

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

10.18 Exposure to Real Estate

The GMAP Defensive Fund, GMAP Balanced Fund, GMAP Growth Fund and GMAP Adventurous Fund may invest in other property funds and therefore may have indirect exposure to real estate assets which are relatively illiquid and more difficult to realise than most equities or bonds. If an asset cannot be liquidated in a timely manner then it may be harder to attain a reasonable price.

10.19 Monthly Income Smoothing

The ACD intends to smooth the payment of income payments made by the Royal London Monthly Income Bond Fund on a monthly basis. The first 11 months of the accounting year will be smoothed, with the balance paid out at the last date. There are a number of implications of this, including:

- If an investor leaves before the end of the accounting year end, their income received may be less than the pro-rated amount for the year (if income is as expected or higher).
- If an investor leaves before the end of the accounting year end, their income received may be more than the pro-rated amount for the year (if income is lower than expected).
- If investors enter the Fund before the last ex-dividend date, they may receive a higher allocation than would ordinarily be payable (if income is as expected or higher).
- If investors invest in the Fund before the last ex-dividend date, they may receive a lower allocation than would ordinarily be due (if income is lower than expected).
- The last income payment may be much higher than other months (if actual income is much higher than expected).
- The last income payment may be much lower than other months (if actual income is much lower than expected).

- There is a possibility that the Fund will not pay out any income in the last month. In the event that the last month could be negative, the ACD will reduce the 11th month accordingly to ensure the Fund does not 'over distribute'.
- Each accounting year, the smoothed level of monthly income to be paid out will be reviewed by the ACD and may be adjusted.

11. Eligible Markets

Please note that in the interest of investor information and protection a list of the securities and derivatives exchanges/markets in non-EEA States (including the markets on which transferable securities are admitted to official listing) in which a Fund will or may invest through or deal on, can be found in Appendix 1 to this Prospectus. The list of eligible markets has been decided by the ACD after consultation with the Depositary and the Investment Adviser.

12. Investment Limits

The ACD's discretion to invest or apply Scheme Property is subject to the restrictions and limitations on investment set out in COLL and in Appendix 2 to this Prospectus.

13. Winding up of the Company or a Fund

The Company will not be wound up or a Fund terminated except as an unregistered company under Part V of the Insolvency Act 1986 or under the COLL Sourcebook.

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

The Company shall be wound up or a Fund must be terminated under the COLL Sourcebook:

- (i) if an extraordinary resolution to that effect is passed by Shareholders; or
- (ii) when the period (if any) fixed for the duration of the Company or a particular Fund by the Instrument of Incorporation expires, or any event occurs for which the Instrument of Incorporation provides that the Company or a particular Fund is to be wound up or terminated; or
- (iii) on the date stated in any agreement by the FCA to a request by the ACD for the revocation of the authorisation order in respect of the Company or for the termination of the relevant Fund; or
- (iv) on the effective date of a duly approved scheme of arrangement which is to result in the Company ceasing to hold any Scheme Property; or
- (v) in the case of a Fund, on the effective date of a duly approved scheme of arrangement which is to result in the Fund ceasing to hold any Scheme Property; or
- (vi) on the date on which all of the Funds fall within (v) above or have otherwise ceased to hold any Scheme Property, notwithstanding that the Company may have assets and liabilities that are not attributable to any particular Fund.

On the occurrence of any of the above:

- (i) COLL 6.2 (Dealing), COLL 6.3 (Valuation and Pricing) and COLL 5 (Investment and borrowing powers) will cease to apply to the Company or the relevant Fund;

- (ii) the Company will cease to issue and cancel Shares in the Company or the relevant Fund and the ACD shall cease to sell or redeem Shares or arrange for the Company to issue or cancel them for the Company or the relevant Fund;
- (iii) no transfer of a Share shall be registered and no other change to the Register of Shareholders shall be made without the sanction of the ACD;
- (iv) where the Company is being wound up, the Company shall cease to carry on its business except in so far as it is beneficial for the winding up of the Company;
- (v) the corporate status and powers of the Company and subject to (i) to (iv) above, the powers of the Depositary shall continue until the Company is dissolved.

The ACD shall, as soon as practicable after the winding up of the Company or termination of a Fund has commenced, realise the assets and meet the liabilities of the Company or the Fund and, after paying out or retaining adequate provision for all liabilities properly payable and retaining provision for the costs of winding up, arrange for the Depositary to make one or more interim distributions out of the proceeds to Shareholders proportionately to their rights to participate in the Scheme Property.

If the ACD has not previously notified Shareholders of the proposal to wind up the Company or terminate the Fund, the ACD shall, as soon as practicable after the commencement of winding up of the Company or the termination of the Fund, give written notice of the commencement to Shareholders. When the ACD has caused all of the Scheme Property to be realised and all of the liabilities of the Company or the particular Fund to be realised, the ACD shall arrange for the Depositary to make a final distribution to Shareholders on or prior to the date on which the final account is sent to Shareholders of any balance remaining in proportion to their holdings in the Company or the particular Fund.

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

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

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

14. Delivery versus Payment (DvP) Exemption

The ACD may make use of the DvP Exemption as set out in the Handbook, which provides for a one day window during which money, held for the purposes of settling a transaction in relation to shares in a collective investment scheme, is not treated as client money if: (i) the ACD receives the money from a person for the subscription of Shares and the money is passed to the Depositary for the purpose of creating Shares in the Fund within the timeframes set out in the Handbook; or (ii) the ACD holds the money in the course of redeeming Shares provided that the proceeds of that redemption are paid to a Shareholder within the timeframes set out in the Handbook.

15. Unclaimed money or assets

In accordance with the client money rules in the Handbook, if client money is unclaimed for a period of six years (or client assets are unclaimed for a period of 12 years) the ACD will transfer unclaimed distributions back to the capital property of the Fund and otherwise may give unclaimed money or assets to a registered charity of its choice. The ACD will be able to do

this only in accordance with general law, the Handbook, and where it has taken all necessary steps to trace the Shareholder and return the money or the assets.

If the client money or client asset is equal to or below the 'de minimis level' set by the client money rules in the Handbook (that is, £25 or less for retail clients and £100 or less for professional clients) then there are fewer requirements for the ACD to fulfil before it may pay the money or asset to charity but it will still attempt to contact Shareholders at least once before doing so. The time periods set out above during which the money or assets may not be 'paid away' to charity continue to apply.

Payment of any unclaimed balance to charity will not prevent Shareholders from claiming the money or assets in the future.

16. Liquidity Risk Management

The ACD has established a liquidity management policy and procedures for the qualitative and quantitative assessment of existing positions taken by the Funds and to assess whether intended investments would have a material impact on the overall liquidity profile of the Funds. In following these procedures, the assessment by the ACD takes account of actual and anticipated subscription and redemption flows, investor concentration, the current level of readily realisable assets in the Funds and the time required to realise further assets, prices and or spreads of investments in both normal and exceptional liquidity conditions.

These factors are monitored and managed to ensure the liquidity profile of each Fund is aligned appropriately with the anticipated redemption flows. The ACD conducts regular stress testing (at least annually) of the Fund's portfolio in order to fully understand the liquidity profile of the Fund.

Each Fund permits redemptions on a daily basis. The ACD also has additional tools to deal with liquidity constraints which could arise in exceptional circumstances. A Fund may (i) borrow cash to meet redemptions within the limits in Appendix 2; (ii) defer a redemption request to the next Dealing Day as set out in paragraph 4.6 above (iii) apply the in specie redemption provisions at paragraph 4.5 above.

In addition, in exceptional circumstances and where it is in the interest of all investors in a Fund, the ACD can temporarily suspend dealing in the Fund (see "Suspension of Issue, Cancellation, Redemption and Sale of Shares" at paragraph 4.9 above).

If our policy for managing liquidity should change, this will be set out in the annual report.

17. Leverage

This section explains in what circumstances and how the ACD may use leverage in respect of the Funds, the different leverage calculation methods and maximum level of leverage permitted.

In managing the assets of a Fund, the ACD may from time to time use leverage, either in the form of borrowings as permitted (for example, for the purposes of funding acquisitions in anticipation of receiving subscriptions or to meet redemption requests as part of the liquidity management of the Fund) or through leverage obtained by nature of the derivative products in which the Fund invests.

The ACD is required to express the level which a Fund's leverage will not exceed – this is set out in Section 1 above. In addition, the total amount of leverage employed by a Fund will be disclosed in its annual report. For the purposes of this disclosure, leverage is any method by which a Fund's exposure is increased, whether through borrowing of cash or securities, or leverage embedded in derivative positions, or by any other means. The AIFM Directive requires that the leverage ratio of a fund be expressed as the ratio between the fund's exposure and its net asset value, and prescribes two required methodologies, the gross methodology and the commitment methodology for calculating such exposure.

Under the gross method, the exposure of a Fund is calculated as follows:

- (i) include the sum of all assets purchased, plus the absolute value of all liabilities;
- (ii) exclude cash and cash equivalents which are highly liquid investments held in the base currency of the Fund, that are readily convertible to a known amount of cash, are subject to an insignificant risk of change in value and provide a return no greater than the rate of a three month high quality government bond;
- (iii) derivative instruments are converted into the equivalent position in their underlying assets;
- (iv) exclude cash borrowings that remain in cash or cash equivalents and where the amounts payable are known;
- (v) include exposures resulting from the reinvestment of cash borrowings, expressed as the higher of the market value of the investment realised or the total amount of cash borrowed; and
- (vi) include positions within repurchase or reverse repurchase agreements and securities lending or borrowing or other similar arrangements.

Under the commitment method, the exposure of a Fund is the sum of the absolute value of all positions. For the calculation of the exposure of a Fund under the commitment method, the ACD shall:

- (i) convert derivative instruments into an equivalent position in the underlying asset of that derivative (unless they are derivative instruments which have certain specific features as set out more specifically in the AIFM Directive);
- (ii) apply certain netting and hedging arrangements;
- (iii) include exposures resulting from the reinvestment of cash borrowing;
- (iv) include other arrangements such as convertible borrowings, repurchase agreements, reverse repurchase agreements, securities lending, and securities borrowing.

18. General Information

18.1 Documents of the Company

The following documents may be inspected free of charge during normal business hours on any business day at the offices of the ACD at 55 Gracechurch Street, London, EC3V 0RL:

- (i) the most recent annual and half yearly reports of the Company;
- (ii) the Instrument of Incorporation (and any amending documents);
- (iii) the Prospectus; and
- (iv) the ACD Agreement and the Depositary Agreement.

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

18.2 Information available to Shareholders

The following information will be made available to Shareholders as part of the Company's periodic reporting and, as a minimum, in the annual report:

- (i) the percentage of the Company's assets which will be subject to special arrangements arising from their illiquid nature, including an overview of any special arrangements in place, the valuation methodology applied to assets which are subject to such arrangements and how management and performance fees will apply to these assets;
- (ii) the current risk profile of the Company, and information on the risk management systems used by the ACD to manage those risks;
- (iii) the total amount of leverage employed by the Company calculated in accordance with the gross and commitment methods; and
- (iv) any material changes to the information above.

Shareholders will be notified promptly of any material changes to the liquidity management systems and procedures such as the suspension of redemptions, the deferral of redemptions or similar special liquidity arrangements. It is intended that any changes to the maximum level of leverage which the Company may employ will be provided to Shareholders without undue delay.

18.3 Accounting periods

The annual accounting period of the Company will end each year on 31 December (the accounting reference date) with the half yearly interim accounting period ending on 30 June.

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

18.4 Legal and tax restrictions

Persons interested in subscribing for shares should inform themselves as to:

- (i) the legal requirements within their own countries for subscription of Shares;
- (ii) any foreign exchange restrictions which may be encountered;
- (iii) the income tax, estate tax and other tax consequences of becoming a Shareholder.

18.5 Changes

Where any changes are proposed to be made to the Fund the ACD will assess whether the change is fundamental, significant or notifiable in accordance with COLL. If the change is regarded as fundamental, Shareholders' approval of the change will be required. If the change is regarded as significant, 60 days' prior written notice will be given to relevant Shareholders. If the change is regarded as notifiable, relevant Shareholders will receive suitable pre- or post-event notice of the change. Changes to a Fund's investment objective, policy or strategy will usually be significant or fundamental.

18.6 Notices

Any notices required to be served on Shareholders or any documents required to be sent out to Shareholders will be sent by post to the address noted on the Register or in the case of joint Shareholders the address of the first named Shareholder.

18.7 Complaints

If you have any complaint about the operation or marketing of the Funds you should in the first instance make such complaint to the Customer Services, by writing to P.O. Box 9035, Chelmsford, CM99 2XB, or telephoning 0345 602 3604. Making a complaint will not prejudice your rights to commence legal proceedings.

18.8 Professional liability risks

The ACD covers potential professional liability risks arising from its activities as the Company's AIFM through a combination of professional liability insurance and additional own funds.

18.9 Fair treatment of investors

Procedures, arrangements and policies have been put in place by the ACD to ensure compliance with the principles of fair treatment of investors. The principles of treating investors fairly include, but are not limited to:

- (i) acting in the best interest of the Company and of the investors;
- (ii) executing the investment decisions taken for the account of the Company in accordance with the objective, the investment policy and the risk profile of the Company;
- (iii) ensuring that the interests of any group of investors are not placed above the interests of any other group of investors except as disclosed in accordance with the Handbook;
- (iv) ensuring that fair, correct and transparent pricing models and valuation systems are used for the Company;
- (v) preventing undue costs being charged to the Company and investors;
- (vi) taking all reasonable steps to avoid conflicts of interests and, when they cannot be avoided, identifying, managing, monitoring and, where applicable, disclosing those conflicts of interest to prevent them from adversely affecting the interests of investors; and

The following groups of investors may have preferential terms:

- (i) Seed investors in the Funds have a partially rebated (and thus reduced) annual management charge as founder investors to the Company.
- (ii) Large investors may have a reduced initial charge or effective annual management charge by agreement with the ACD.

18.10 Shareholders' rights

Shareholders are entitled to participate in the Company on the basis set out in this prospectus (as amended from time to time). Paragraph 18.7 ("Complaints"), paragraph 6 ("Shareholder Meetings"), paragraph 6.4 ("Voting"), paragraph 7.5 ("Reports") and paragraph 18.1 ("Documents of the Company") of this prospectus set out important rights about Shareholders' participation in the Company.

Shareholders may have no direct rights against the service providers to the Company set out in paragraphs 2.2 to 2.5.

The ACD must ensure that this Prospectus does not contain any untrue or misleading statement or omit any matter required to be disclosed in the Prospectus by COLL and the FCA's Investment Fund Sourcebook. To the extent that a Shareholder incurs loss as a consequence of an untrue or misleading statement or omission, the ACD may be liable to compensate that Shareholder subject to the ACD having failed to exercise reasonable care to determine that the statement was true and not misleading or that the omission was appropriate, in accordance with the Handbook.

Shareholders have statutory and other legal rights which include the right to complain and may include the right to cancel an order or seek compensation (as detailed at paragraph 18.13 below).

Shareholders who are concerned about their rights in respect of the Company should seek legal advice.

18.11 Commission

The ACD effects transactions on which commissions or other charges are payable, through other affiliated Group companies including The Royal London Mutual Insurance Society Limited, as well as through other unconnected brokers. When executing orders, or placing orders with other entities for execution, that relate to financial instruments for, or on behalf of, the Funds, the Investment Adviser will not accept and retain any fees, commissions or monetary benefits; or accept any non-monetary benefits, where these are paid or provided by any third party or a person acting on behalf of a third party. The Investment Adviser will return to each relevant Fund as soon as reasonably possible after receipt any fees, commissions or any monetary benefits paid or provided by any third party or a person acting on behalf of a third party in relation to the services provided to that fund, and disclose in the annual report the fees, commissions or any monetary benefits transferred to them.

The Investment Adviser may, however, accept without disclosure minor non-monetary benefits that are capable of enhancing the quality of service provided to the relevant Fund; and of a scale and nature such that they could not be judged to impair their compliance with its duty to act honestly, fairly and professionally in the best interests of each Fund.

18.12 Genuine Diversity of Ownership

Shares in the Company are and will continue to be widely available. The intended categories of investors are retail investors and institutional investors.

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

18.13 Compensation Scheme

If the ACD or the Depositary or both of them are unable to meet any of their respective liabilities to the Shareholder, the Shareholder may be entitled to compensation under the Financial Services Compensation Scheme, details of which can be obtained from the ACD or the Financial Conduct Authority. Please note, however, that if a Shareholder is an overseas financial services institution, compensation will not be available.

18.14 Overseas Investments outside the UK

The distribution of this Prospectus and the offering or purchase of Shares may be restricted in certain jurisdictions. No persons receiving a copy of this Prospectus in any such jurisdiction may treat this Prospectus as constituting an invitation to them to subscribe for Shares unless, in the relevant jurisdiction, such an invitation could lawfully be made to them. Accordingly this Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation. It is the responsibility of any persons in possession of this Prospectus and any persons wishing to apply for Shares to inform themselves of and to observe all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Shares should inform themselves as to legal requirements of so applying and any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence or domicile.

The Shares in the Company which are described in this Prospectus have not been and will not be registered under the United States Securities Act of 1933, the United States Investment Company Act of 1940 or the securities laws of any of the states of the United States of America and may not be directly or indirectly offered or sold in the United States of America to

or for the account or benefit of any U.S. Person, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the United States Securities Act of 1933, the United States Investment Company Act of 1940 and similar requirements of such state securities laws.

The Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission or other regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of these offering materials. Any representation to the contrary is unlawful. The Shares are subject to restrictions on transferability and resale and may not be transferred or resold in the United States except as permitted under the United States Securities Act of 1933 and applicable state securities laws, pursuant to registration or exemption therefrom.

In order to ensure compliance with the restrictions referred to above, the Fund is, accordingly, not open for investment by any U.S. Persons or ERISA Plans except in exceptional circumstances and then only with the prior consent of the ACD. A prospective investor may be required at the time of acquiring Shares to represent that such investor is a qualified holder and not a U.S. Person or acquiring Shares for the account or benefit, directly or indirectly, of a U.S. Person or with the assets of an ERISA Plan. The granting of prior consent by the ACD to an investment does not confer on the investor a right to acquire Shares in respect of any future or subsequent application.

18.15 Conflicts of Interest

The ACD and other companies within the Royal London group may, from time to time, act as managers to other funds or Funds which follow similar investment objectives to those of the Funds. The Funds may also invest in other funds managed by the ACD and other companies within the Royal London group.

It is therefore possible that the ACD may in the course of its business have potential conflicts of interest with the Company or a particular Fund and/or other funds managed by the ACD. The ACD will, however, have regard in such event to its obligations under the ACD Agreement and, in particular, to its obligation to act in the best interests of the Company so far as practicable, having regard to its obligations to other clients, when undertaking any investment business where potential conflicts of interest may arise. Where a conflict of interest cannot be avoided, the ACD will ensure that the Company and the other funds it manages are fairly treated.

The ACD maintains a written conflict of interest policy. The ACD acknowledges that there may be some situations where the organisational or administrative arrangements in place for the management of conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of the Company or its shareholders will be prevented. Should any such situations arise the ACD will, as a last resort, if the conflict cannot be avoided, disclose these to shareholders in an appropriate format.

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

18.16 Exercise of voting rights

The ACD has a strategy for determining when and how voting rights attached to ownership of Scheme Property are to be exercised for the benefit of each Fund. The RLAM Responsible Investment Policy summarises this strategy and is available on the RLAM website in the Responsible Investment section. Our Voting Policy covering voting on securities held in the funds is also available in this same location.

18.17 Best execution

The ACD must act in the best interests of each Fund when executing decisions to deal on behalf of the relevant Fund. The RLAM Execution and Allocation Policy sets out (i) the systems

and controls that have been put in place and (ii) the basis upon which the ACD will effect transactions and place orders in relation to the Company whilst complying with its obligations under the handbook of rules issued by the FCA to obtain the best possible outcome for each transaction undertaken on behalf of the company. Details of the best execution policy are available from the ACD on request. If you have any questions regarding the policy please contact the ACD or your professional adviser.

18.18 Collateral and collateral management

The ACD has a collateral management policy which it keeps under regular review. The policy defines "eligible" types of collateral which the Funds may receive to mitigate counterparty exposure (including any applicable haircuts). A haircut is a reduction to the market value of the collateral in order to allow for a cushion in case the market value of that collateral falls. Collateral will generally be of high quality and liquid e.g. cash and government securities. The policy will also include any additional restrictions deemed appropriate by the ACD. The ACD currently accepts only following permitted type of collateral for the Funds: cash and certain bonds.

Where the ACD on behalf of a Company enters into OTC financial derivative transactions and/or EPM techniques, all collateral received by the Company must comply with the criteria listed in the ESMA Guidelines 2012/832 on ETFs and other UCITS issues in terms of liquidity, valuation, issuer credit quality, correlation, diversification, custody, risks linked to the management of collateral and enforceability.

Collateral will be subject to a haircut depending on the class of assets received. The haircut policy depends on the quality of assets received, their price volatility, together with the outcome of any stress tests performed under normal and exceptional liquidity conditions.

Where cash collateral, is received, if it is reinvested, it will be diversified in accordance with the requirements of ESMA's Guidelines referred to above. Where a Fund re-invests cash collateral in one or more permitted types of investment, there is a risk that the investment will earn less than the interest that is due to the counterparty in respect of that cash and that it will return less than the amount of cash that was invested. Non-cash collateral received should not be sold, re-invested or pledged. Where there is a title transfer, collateral received will be held by the Depositary (or a sub-custodian thereof) on behalf of the relevant Fund. For other types of collateral arrangement, the collateral can be held by a third party custodian which is subject to prudential supervision, and which should be unrelated to the provider of the collateral.

18.19 Factsheets

Fund factsheets detailing investment performance for each of the Royal London Funds are available on the RLAM website.

18.20 International information exchange (including US 'FATCA')

The UK government has enacted legislation enabling it to comply with its obligations in relation to international tax compliance including the United States provisions commonly known as "FATCA". As a result the ACD may need to disclose the name, address, taxpayer identification number and investment information relating to certain investors in the Company to HM Revenue & Customs, who will in turn exchange this information with their overseas counterparts in relevant jurisdictions.

By signing the application form to subscribe for Shares, each prospective Shareholder is agreeing to provide information upon request to the ACD or its agent. If a Shareholder does not provide the necessary information, the ACD will be required to report it to HM Revenue & Customs. If a prospective investor is concerned about this, he should take appropriate advice.

18.21 Risk Management

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

- (i) the quantitative limits applying in the risk management of the Fund or Company;
- (ii) the methods used in relation to (i); and
- (iii) any recent development of the risk and yields of the main categories of investment.

18.22 Telephone Recording

Please note that the ACD may record telephone calls for training and monitoring purposes and to confirm investors' instructions. Recordings will be provided on request for a period of at least five years from the date of such recording, or, where requested by a competent regulatory authority, for a period of seven years, where we can identify the call coming from you. If you ask us to send you a recording of a particular call, we may ask for further information to help us identify the exact call to which your request relates.

18.23 Benchmark Regulation

Unless otherwise disclosed in this Prospectus, the indices or benchmarks utilised by the Company and the Funds are, as at the date of this Prospectus, provided by benchmark administrators who are making use of the transitional arrangements afforded under Regulation (EU) 2016/1011 (the "Benchmark Regulation") and accordingly do not appear on the register of administrators and benchmarks maintained by ESMA pursuant to Article 36 of the Benchmark Regulation. Updated information on this register will be available no later than 1 January 2020. Royal London maintains a written plan setting out the actions that will be taken in the event of the benchmark materially changing or ceasing to be provided.

18.24 Governing law and jurisdiction

The ACD treats a Shareholder's participation in the Company as governed by the law of England and Wales. The English courts shall have exclusive jurisdiction to settle any disputes or claims which may arise out of, or in connection with, a Shareholder's participation in the Company.

18.25 Your Personal Information

The ACD's privacy notice details the collection, use and sharing of Shareholders' personal information in connection with their investment in the Funds. The privacy notice can be found on the ACD's website at www.rlam.co.uk.

This notice may be updated from time to time and Shareholders should confirm that they hold the latest version. Shareholders who access the Funds through an intermediary such as a wealth manager, platform service or ISA plan manager, should also contact that organisation for information about its treatment of their personal information.

Any Shareholder who provides the ACD and its agents with personal information about another individual (such as a joint investor) must also show the privacy notice to those individuals.

APPENDIX 1 - ELIGIBLE MARKETS

Investors should be aware that in order to qualify as an approved security or derivative, the market upon which any security or derivative is traded must be "eligible".

"Eligible" is defined as a securities or derivatives market established in an EEA state that is regulated, operates regularly and is open to the public.

At the time of preparation of this Prospectus, the markets in which the Sub-fund will deal are as follows:

Markets in EEA States

(This list is for information only. The member states of the EEA may change over time and any additions to EEA membership are deemed to be eligible markets whether or not they are detailed below)

Austria, Belgium, Bulgaria, Czech Republic, Cyprus, Denmark, Eire, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Italy, Latvia, Lichtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, United Kingdom.

Additional securities and derivatives markets

The following list contains additional markets which the ACD and the Depositary have agreed as eligible:

Australia Australian Stock Exchange Limited (ASX) ASX Trade24	Singapore Singapore Exchange Limited (SGX)
Canada Toronto Stock Exchange TSX Venture Exchange The Montreal Exchange	Switzerland SIX Swiss Exchange
Hong Kong Stock Exchange of Hong Kong Limited Hong Kong Futures Exchange	Taiwan Taiwan Stock Exchange Taiwan Futures Exchange
Indonesia Indonesia Stock Exchange	Thailand Stock Exchange of Thailand Thailand Futures Exchange Plc
Japan Fukuoka Stock Exchange Nagoya Stock Exchange Tokyo Stock Exchange Tokyo Financial Exchange Osaka Securities Exchange	Turkey Borsa Istanbul AS
Korea (Republic) Korea Exchange	United States New York Stock Exchange NYSE MKT LLC NASDAQ Stock Market (National Association of Securities Dealers Inc) NASDAQ OMX BX Inc NASDAQ OMX PHLX The market in transferable securities issued by or on behalf of the US Government conducted through persons for the time being recognised and supervised by the Federal Reserve Bank of New York and known as primary dealers Boston Options Exchange
Malaysia Bursa Malaysia Securities Berhad Bursa Malaysia Derivatives Berhad	

Mexico Bolsa Mexicana de Valores (Mexican Stock Exchange) New Zealand NZX Ltd Philippines The Philippines Stock Exchange	Chicago Board of Trade Chicago Board Options Exchange Chicago Mercantile Exchange ICE Futures Exchange New York Mercantile Exchange (NYMEX) NASDAQ Futures Exchange
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APPENDIX 2 - INVESTMENT AND BORROWING POWERS

1. General Rules of Investment

The Scheme Property of each Fund will be invested with the aim of achieving the investment objective of that Fund but subject to the limits on investment set out in this Prospectus and in Chapter 5 of the COLL Sourcebook that are applicable to non-UCITS retail Schemes. These limits apply to each Fund as summarised below. No Fund's investment objective and policy permits investment in immovables.

The ACD's investment policy may mean that at times, where it is considered appropriate, the property of a Fund will not be fully invested and that prudent levels of liquidity will be maintained.

2. Prudent spread of risk

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

3. Cover

- 3.1. Where the COLL Sourcebook allows a transaction to be entered into or an investment to be retained only (for example, investment in warrants and nil and partly paid securities and the general power to accept or underwrite) if possible obligations arising out of the investment transactions or out of the retention would not cause any breach of any limits in COLL 5, it must be assumed that the maximum possible liability of a Fund under any other of those rules has also to be provided for.
- 3.2. Where a rule in the COLL Sourcebook permits an investment transaction to be entered into or an investment to be retained only if that investment transaction, or the retention, or other similar transactions, are covered:
 - 3.2.1. it must be assumed that in applying any of those rules, a Fund must also simultaneously satisfy any other obligation relating to cover; and
 - 3.2.2. no element of cover must be used more than once.

4. Non-UCITS retail schemes – general

- 4.1. The Scheme Property of a Fund must, subject to its investment objective and policy and except where otherwise provided in COLL 5, only consist of any or all of:
 - 4.1.1. transferable securities;
 - 4.1.2. money-market instruments;
 - 4.1.3. permitted derivatives and forward transactions;
 - 4.1.4. permitted deposits;
 - 4.1.5. units or shares in permitted collective investment schemes; and

4.1.6. permitted immovables; and

4.1.7. gold up to a limit of 10% in value of the Scheme Property of the Fund.

The Funds will not maintain a direct interest in immovable or tangible moveable property or gold but may gain indirect exposure to this asset class through investment types permitted under the investment policy and COLL.

5. Transferable securities

5.1. Transferable securities and money-market instruments held within a Fund must (subject to paragraph 5.1.4) be:

5.1.1. admitted to or dealt on an eligible market as described below;

5.1.2. be approved money-market instruments not admitted or dealt in on an eligible market below which satisfy the requirement of paragraph 11 in this Appendix;

5.1.3. recently issued transferable securities provided that;

5.1.3.1. the terms of issue include an undertaking that application will be made to be admitted on an eligible market; and

5.1.3.2. such admission is secured within a year of issue.

5.1.4. subject to a limit of 20% in value of the Scheme Property be:

5.1.4.1. transferable securities which are not within 5.1.1 to 5.1.3; or

5.1.4.2. money-market instruments which are liquid and have a value which can be determined accurately at any time.

5.2. Transferable securities held by a Fund must also satisfy the criteria in COLL 5.2.7AR (UCITS schemes: permitted types of scheme property), COLL 5.2.7CR (Closed ended funds constituting transferable securities) and COLL 5.2.7ER (Transferable securities linked to other assets) for the purposes of investment by a UCITS scheme.

5.3. Up to 5% of the Scheme Property of a Fund may be invested in warrants.

6. Eligible markets regime: purpose

6.1. This section specifies criteria as to the nature of the markets in which property of a non-UCITS retail scheme may be invested.

6.2. Where a market ceases to be eligible, investments on that market cease to be approved securities. The 20% restriction on investing in non-approved securities applies and exceeding this limit because a market ceases to be eligible will generally be regarded as a breach beyond the control of the ACD.

6.3. A market is eligible for the purposes of the rules if it is:

6.3.1. a regulated market as defined in the FCA Handbook;

- 6.3.2. a market in an EEA State which is regulated, operates regularly and is open to the public; or
- 6.3.3. any market within paragraph 6.4 below.
- 6.4. A market not falling within paragraph 6.3 of this Appendix is eligible for the purposes of COLL 5 if:
 - 6.4.1. the ACD, after consultation with and notification to the Depositary, decides that market is appropriate for investment of, or dealing in, the Scheme Property;
 - 6.4.2. the market is included in a list in the Prospectus; and
 - 6.4.3. the Depositary has taken reasonable care to determine that:
 - 6.4.3.1. adequate custody arrangements can be provided for the investment dealt in on that market; and
 - 6.4.3.2. all reasonable steps have been taken by the ACD in deciding whether that market is eligible.
- 6.5. In paragraph 6.4.1, a market must not be considered appropriate unless it is regulated, operates regularly, is recognised, is open to the public, is adequately liquid and has adequate arrangements for unimpeded transmission of income and capital to or for the order of investors.

7. Spread: general

- 7.1. This rule on spread does not apply to a transferable security or an approved money-market instrument to which paragraph 8 applied (Spread: government and public securities).
- 7.2. Not more than 20% in value of the Scheme Property of a Fund is to consist of deposits with a single body.
- 7.3. Not more than 10% in value of the Scheme Property of a Fund is to consist of transferable securities or approved money market instruments issued by any single body, subject to COLL 5.6.23R (Schemes replicating an index).
- 7.4. The limit of 10% in paragraph 7.3 is raised to 25% in value of the Scheme Property in respect of covered bonds.
- 7.5. In applying paragraph 7.3, certificates representing certain securities are to be treated as equivalent to the underlying security.
- 7.6. Not more than 35% in value of the Scheme Property of a Fund is to consist of the units or shares of any one collective investment scheme.
- 7.7. The exposure to any one counterparty in an OTC derivative transaction must not exceed 10% in value of the Scheme Property of a Fund.

- 7.8. For the purpose of calculating the limit in paragraph 7.7, the exposure in respect of an OTC derivative may be reduced to the extent that collateral is held in respect of it if the collateral meets each of the following conditions:
 - 7.8.1. it is marked-to-market on a daily basis and exceeds the value of the amount at risk;
 - 7.8.2. it is exposed only to negligible risks (e.g. government bonds of first credit rating or cash) and is liquid;
 - 7.8.3. it is held by a third party custodian not related to the provider or is legally secured from the consequences of a failure of a related party; and
 - 7.8.4. can be fully enforced by a Fund at any time.
- 7.9. For the purposes of calculating the limits in paragraph 7.7, OTC derivative positions with the same counterparty may be netted provided that the netting procedures:
 - 7.9.1. comply with the conditions set out in Section 3 (Contractual netting (Contracts for novation and other netting agreements)) of Annex III to the Banking Consolidation Directive; and
 - 7.9.2. are based on legally binding agreements.
- 7.10. In applying this paragraph (Spread: general), all derivatives transactions are deemed to be free of counterparty risk if they are performed on an exchange where the clearing house meets each of the following conditions:
 - 7.10.1. it is backed by an appropriate performance guarantee; and
 - 7.10.2. it is characterised by a daily mark-to-market valuation of the derivative positions and at least daily margining.

8. Spread: Government and public securities

- 8.1. The following section applies in respect of a transferable security or an approved money-market instrument ("such securities") that is issued by :
 - 8.1.1. an EEA State;
 - 8.1.2. a local authority of an EEA State;
 - 8.1.3. a non-EEA State; or
 - 8.1.4. a public international body to which one or more EEA States belong.
- 8.2. Where no more than 35% in value of the Scheme Property is invested in such securities issued by any one body, there is no limit on the amount which may be invested in such securities or in any one issue.
- 8.3. A Fund may invest more than 35% in value of the Scheme Property in such securities issued by any one body provided that:

- 8.3.1. the ACD has before any such investment is made consulted with the Depositary and as a result considers that the issuer of such securities is one which is appropriate in accordance with the investment objectives of the Fund;
 - 8.3.2. no more than 30% in value of the Scheme Property consists of such securities of any one issue;
 - 8.3.3. the Scheme Property includes such securities issued by that or another issuer, of at least six different issues.
- 8.4. No Fund currently may invest more than 35% of its Scheme Property in such securities issued by one body.

9. Investment in collective investment schemes

- 9.1. Each Fund may invest up to 100% of Scheme Property in units in a collective investment scheme (the "second scheme") provided that the second scheme:
- 9.1.1. satisfies the conditions necessary for it to enjoy the rights conferred by the UCITS Directive; or
 - 9.1.2. is authorised as a non-UCITS retail scheme; or
 - 9.1.3. is a recognised scheme; or
 - 9.1.4. is constituted outside the United Kingdom and have investment and borrowing powers which are the same or more restrictive than those of a non-UCITS retail scheme; or
 - 9.1.5. is a scheme not falling within paragraphs 9.1.1 to 9.1.4 and in respect of which no more than 20% in value of the Scheme Property (including any transferable securities which are not approved securities) is invested.
- 9.2. The Second Scheme is a scheme which operates on the principle of the prudent spread of risk.
- 9.3. The Second Scheme is prohibited from having more than 15% in value of the scheme property consisting of units or shares in collective investment schemes.
- 9.4. The participants in the Second Scheme must be entitled to have their units or shares redeemed in accordance with the scheme at a price related to the net value of the property to which the units or shares relate and determined in accordance with the scheme.
- 9.5. Where the Second Scheme is an umbrella, the provisions in paragraphs 9.2 to 9.4 apply to each Fund as if it were a separate scheme.
- 9.6. The Scheme Property attributable to a Fund may include Shares in another Fund of the Company (the "Second Fund") subject to the requirements of paragraph 9.7 below.
- 9.7. A Fund may invest in or dispose of Shares of a Second Fund provided that:

- 9.7.1. the Second Fund does not hold Shares in any other Fund of the Company;
 - 9.7.2. the requirements set out at paragraphs 9.8 and 9.10 below are complied with; and
 - 9.7.3. not more than 35% in value of the Scheme Property of the investing or disposing Fund is to consist of Shares in the Second Fund.
- 9.8. Investment may only be made in a Second Fund or other collective investment schemes managed by the ACD or an Associate of the ACD if the Prospectus of the Company clearly states that the Funds may enter into such investments and the rules on double charging contained in the COLL Sourcebook are complied with. All Funds will invest in other collective investment schemes managed by the ACD.
- 9.9. The Funds may, subject to the limit set out in paragraph 9.1 above, invest in collective investment schemes managed or operated by, or whose authorised corporate director is, the ACD or one of its Associates.
- 9.10. Where a Fund invests in or disposes of Shares in a Second Fund or units or shares in another collective investment scheme which is managed or operated by the ACD or an Associate of the ACD, the ACD must pay to that Fund by the close of business on the fourth business day the amount of any preliminary charge in respect of a purchase, and in the case of a sale, any charge made for the disposal.
- 9.11. The underlying funds in which each of the Funds may invest are established in member states of the European Economic Area, in the Channel Islands or in the Isle of Man.

10. Investment in nil and partly paid securities

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

11. Investment in money-market instruments

- 11.1. A Fund may invest up to 100% in money-market instruments which are within the provisions of 5 above or 11.2 below and subject to the limit of 20% referred to above, which are normally dealt in or on the money-market, are liquid and whose value can be accurately determined at any time.
- 11.2. In addition to instruments admitted to or dealt in on an eligible market, a Sub-fund may invest in an approved money-market instrument provided it fulfils the following requirements:
- 11.2.1. the issue or the issuer is regulated for the purpose of protecting investors and savings; and
 - 11.2.2. the instrument is issued or guaranteed in accordance with COLL 5.2.10BR.

- 11.3. The issue or the issuer of a money-market instrument, other than one dealt in on an eligible market, shall be regarded as regulated for the purpose of protecting investors and savings if:
- 11.3.1. the instrument is an approved money-market instrument;
 - 11.3.2. appropriate information is available for the instrument (including Information which allows an appropriate assessment of the credit risks related to investment in it), in accordance with COLL5.2.10CR (Appropriate information for money-market instruments); and
 - 11.3.3. the instrument is freely transferable.

12. Derivatives: general

- 12.1. Each Fund (except Royal London Monthly Income Bond Fund) may use derivatives for investment purposes as well as for the purposes of efficient portfolio management. It is not intended that the use of derivatives will cause the net asset value of a Fund to have a high volatility or otherwise cause its risk profile to change. However, where derivatives are used for investment purposes there remains a possibility that the share price of a Fund may be more volatile than would otherwise have been the case. Please refer to the "Risk factors" section for a more detailed description of the risk factors associated with investments in derivatives.**
- 12.2. A transaction in derivatives or a forward transaction must not be effected for a Fund unless the transaction is of a kind specified in paragraph 14 below (Permitted transactions (derivatives and forwards)); and the transaction is covered, as required by paragraph 25 (Cover for investments in derivatives and forward transactions).
- 12.3. Where a Fund invests in derivatives, the exposure to the underlying assets must not exceed the limits set out in the COLL Sourcebook in relation to spread (COLL 5.6.7R Spread: general, COLL 5.6.8R Spread: government and public securities) except for index based derivatives where the rules in 11.6 apply.
- 12.4. Where a transferable security or approved money-market instrument embeds a derivative, this must be taken into account for the purposes of complying with this section.
- 12.5. A transferable security or an approved money-market instrument will embed a derivative if it contains a component which fulfils the following criteria:
- 12.5.1. by virtue of that component some or all of the cash flows that otherwise would be required by the transferable security or approved money-market instrument which functions as host contract can be modified according to a specified interest rate, financial instrument price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, and therefore vary in a way similar to a stand-alone derivative;
 - 12.5.2. its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract; and

- 12.5.3. it has a significant impact on the risk profile and pricing of the transferable security or approved money-market instrument.
- 12.6. A transferable security or an approved money-market instrument does not embed a derivative where it contains a component which is contractually transferable independently of the transferable security or the approved money-market instrument. That component shall be deemed to be a separate instrument.
- 12.7. Where a Fund invests in an index based derivative, provided the relevant index falls within COLL 5.6.23R (Schemes replicating an index) the underlying constituents of the index do not have to be taken into account for the purposes of COLL 5.6.7R and COLL 5.6.8R.
- 12.8. The relaxation in 12.7 above is subject to the ACD taking account of COLL 5.6.3 (Prudent spread of risk).

13. Efficient Portfolio Management

- 13.1. The Company may utilise the Scheme Property to enter into transactions for the purposes of Efficient Portfolio Management ("EPM"). Permitted EPM transactions (excluding stock lending arrangements) are transactions in derivatives e.g. to hedge against price or currency fluctuations, dealt with or traded on an eligible derivatives market. The ACD must take reasonable care to ensure that the transaction is economically appropriate to the reduction of the relevant risks (whether in the price of investments, interest rates or exchange rates) or to the reduction of the relevant costs and/or to the generation of additional capital or income with an acceptably low level of risk. The exposure must be fully "covered" by cash and/or other property sufficient to meet any obligation to pay or deliver that could arise.
- 13.2. Permitted transactions are those that the Company reasonably regards as economically appropriate to EPM, that is:
 - 13.2.1. Transactions undertaken to reduce risk or cost in terms of fluctuations in prices, interest rates or exchange rates where the ACD reasonably believes that the transaction will diminish a risk or cost of a kind or level which it is sensible to reduce; or
 - 13.2.2. Transactions for the generation of additional capital growth or income for a Fund by taking advantage of gains which the ACD reasonably believes are certain to be made (or certain, barring events which are not reasonably foreseeable) as a result of:
 - 13.2.2.1. pricing imperfections in the market as regards the property which a Fund holds or may hold; or
 - 13.2.2.2. receiving a premium for the writing of a covered call option or a cash covered put option on property of a Fund which the Company is willing to buy or sell at the exercise price, or
 - 13.2.2.3. stock lending arrangements.

A permitted arrangement in this context may at any time be closed out.

13.3. Transactions may take the form of “derivatives transactions” (that is, transactions in options, futures or contracts for differences) or forward currency transactions. A derivatives transaction must either be in a derivative which is traded or dealt in on an eligible derivatives market (and effected in accordance with the rules of that market), or be an off-exchange derivative which complies with the relevant conditions set out in the COLL Sourcebook, or be a “synthetic future” (i.e. a composite derivative created out of two separate options). Forward currency transactions must be entered into with counterparties who satisfy the COLL Sourcebook. A permitted transaction may at any time be closed out. The eligible derivatives markets for the Funds are set out in Appendix 1.

13.4. Any income or capital generated by EPM (out of direct or indirect costs) will be paid to the Fund.

14. Permitted transactions (derivatives and forwards)

14.1. A transaction in a derivative must be:

14.1.1. in an approved derivative; or

14.1.2. be one which complies with paragraph 20 (OTC transactions in derivatives).

14.2. A transaction in a derivative must have the underlying consisting of any one or more of the following to which a Fund is dedicated:

14.2.1. transferable securities;

14.2.2. money-market instruments;

14.2.3. permitted deposits;

14.2.4. derivatives and forward transactions permitted under this section;

14.2.5. collective investment scheme units permitted under section 6 (Investment in collective investment schemes);

14.2.6. permitted immovables;

14.2.7. gold;

14.2.8. financial indices which satisfy the criteria in COLL 5.2.20AR (Financial indices underlying derivatives) set out in section 16 below;

14.2.9. interest rates;

14.2.10. foreign exchange rates; and

14.2.11. currencies.

14.3. The exposure to the underlyings in paragraph 14.2 above must not exceed the limits in paragraphs 7, 8 and 5.1.4 above.

- 14.4. A transaction in an approved derivative must be effected on or under the rules of an eligible derivatives market. A list of the current eligible derivatives markets is set out below. Further derivatives markets may be added following consultation with the Depositary in accordance with COLL.
- 14.5. A transaction in a derivative must not cause a Fund to diverge from its investment objectives as stated in the Instrument of Incorporation and the most recently published version of this Prospectus.
- 14.6. A transaction in a derivative must not be entered into if the intended effect is to create the potential for an uncovered sale of transferable securities, money-market instruments, units in collective investment schemes, or derivatives.
- 14.7. Any forward transaction must be with an Eligible Institution or an Approved Bank (as defined in the Glossary to the FCA Handbook).
- 14.8. The ACD must ensure compliance with COLL 5.3.3AR (Cover for investment in derivative and forward transactions), 5.3.3BR and 5.3.3CR (Daily calculation of global exposure) set out below.

15. Total return swaps

- 15.1. Total return swaps are agreements under which one party makes payments based on a set rate, either fixed or variable, while the other party makes payments based on the total return (including both the income it generates and any capital gains) of an underlying asset (for example, a commodity or stock market index). In this way, a party can gain the economic exposure of the underlying asset without actually owing that asset.
- 15.2. The specific types of total return swaps permitted in this section are swaps on commodity or equity indices.
- 15.3. The total return swaps permitted by this section may be exercised by a Fund to gain exposure to commodity indices included in the composite benchmark and to gain long and short exposure to both commodity and equity indices for tactical purposes.
- 15.4. RLAM Derivatives Policy states that both exchange traded derivatives and over-the-counter derivatives must be traded with approved counterparties.
- 15.5. New counterparties are approved after a review that covers the legal status of the proposed counterparty, an assessment of the operational risk and credit risk associated with that counterparty and any other material considerations and it must have the minimum required credit rating.
- 15.6. Trading must occur in RLAM approved derivative instruments and the arrangements must be governed by appropriate legal documentation.
- 15.7. The maximum proportion of the assets under management of the GMAP Defensive Fund, GMAP Balanced Fund, GMAP Growth Fund and GMAP Adventurous Fund that can be subject to total return swaps in commodity indices is 10% and the maximum proportion of the assets under management of the GMAP Defensive Fund, GMAP Balanced Fund, GMAP Growth Fund, GMAP Adventurous Fund and GMAP Dynamic Fund that can be subject to total return swaps in equity indices is 35%, with a

maximum of 10% with any one counterparty. For Royal London Multi Asset Strategies Fund the maximum proportion of the assets under management that can be subject to total return swaps in commodity indices is 25% and the maximum proportion of the assets under management that can be subject to total return swaps in equity indices is 35%.

- 15.8. The expected proportion of the assets under management of the GMAP Defensive Fund, GMAP Balanced Fund, GMAP Growth Fund and GMAP Adventurous Fund that can be subject to total return swaps in commodity indices is 5% and the expected proportion of the assets under management of the GMAP Defensive Fund, GMAP Balanced Fund, GMAP Growth Fund, GMAP Adventurous Fund and GMAP Dynamic Fund that can be subject to total return swaps in equity indices is 10%. For Royal London Multi Asset Strategies Fund the expected proportion of the assets under management that can be subject to total return swaps in commodity indices is 10% and the expected proportion of the assets under management that can be subject to total return swaps in equity indices is 5%.
- 15.9. All revenues arising from total return swaps will be returned to the Funds, and the ACD does not take any fees or costs out of those revenues additional to its periodic charge on the Scheme Property of each Fund or set out in Section 2 paragraph 8 above.

16. Financial indices underlying derivatives

- 16.1. The financial indices referred to in paragraph 14.2.8 are those which satisfy the following criteria:
- 16.1.1. the index is sufficiently diversified;
 - 16.1.2. the index represents an adequate benchmark for the market to which it refers; and
 - 16.1.3. the index is published in an appropriate manner.
- 16.2. A financial index is sufficiently diversified if:
- 16.2.1. it is composed in such a way that price movements or trading activities regarding one component do not unduly influence the performance of the whole index;
 - 16.2.2. where it is composed of assets in which a Fund is permitted to invest, its composition is at least diversified in accordance with the requirements with respect to spread and concentration set out in this section; and
 - 16.2.3. where it is composed of assets in which a Fund cannot invest, it is diversified in a way which is equivalent to the diversification achieved by the requirements with respect to spread and concentration set out in this section.
- 16.3. A financial index represents an adequate benchmark for the market to which it refers if:

- 16.3.1. it measures the performance of a representative group of underlyings in a relevant and appropriate way;
 - 16.3.2. it is revised or rebalanced periodically to ensure that it continues to reflect the markets to which it refers, following criteria which are publicly available; and
 - 16.3.3. the underlyings are sufficiently liquid, allowing users to replicate it if necessary.
- 16.4. A financial index is published in an appropriate manner if:
- 16.4.1. its publication process relies on sound procedures to collect prices, and calculate and subsequently publish the index value, including pricing procedures for components where a market price is not available; and
 - 16.4.2. material information on matters such as index calculation, rebalancing methodologies, index changes or any operational difficulties in providing timely or accurate information is provided on a wide and timely basis.
- 16.5. Where the composition of underlyings of a transaction in a derivative does not satisfy the requirements for a financial index, the underlyings for that transaction shall where they satisfy the requirements with respect to other underlyings pursuant to paragraph 14.2, be regarded as a combination of those underlyings.

17. Transactions for the purchase of property

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

18. Requirement to cover sales

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

19. Guidance on requirement to cover sales

- 19.1. The requirement in paragraph 18 above could be met where:
- 19.1.1. the risks of the underlying financial instrument of a derivative can be appropriately represented by another financial instrument and the underlying financial instrument is highly liquid; or
 - 19.1.2. the ACD or the Depositary has the right to settle the derivative in cash and cover exists from within the scheme property of a sub-fund, which falls within one of the following asset classes:

- 19.1.2.1. cash;
 - 19.1.2.2. liquid debt instruments (e.g. government bonds of first credit rating) with appropriate safeguards (in particular haircuts); or
 - 19.1.2.3. other highly liquid assets having regard to their correlation with the underlying of the financial derivative instruments, subject to appropriate safeguards (e.g. haircuts where relevant).
- 19.2. In the asset classes referred to in paragraph 19.1, 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.

20. OTC transactions in derivatives

- 20.1. Any transaction in an OTC derivative under the COLL Sourcebook must be:
- 20.1.1. in a future or an option or a contract for differences;
 - 20.1.2. with an approved counterparty; a counterparty to a transaction in derivatives is approved only if the counterparty is an Eligible Institution or an Approved Bank; or a person whose permission (including any requirements or limitations), as published in the FCA Register or whose Home State authorisation, permits it to enter into the transaction as principal off-exchange;
 - 20.1.3. on approved terms; the terms of the transaction in derivatives are approved only if, before the transaction is entered into, the ACD 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 on market quotations by the counterparty; and, can enter into one or more further transactions to sell, liquidate or close out those transactions at any time, at its fair value;
 - 20.1.4. capable of reliable valuation; a transaction in derivatives is capable of reliable valuation only if the ACD having taken reasonable care determines that, throughout the life of the derivative (if the transaction is entered into), it will be able to value the investment concerned with reasonable accuracy:
 - 20.1.4.1. on the basis of an up-to-date market value which the ACD and the Depositary have agreed is reliable; or
 - 20.1.4.2. if that value is not available, on the basis of a pricing model which the ACD and the Depositary have agreed uses an adequate recognised methodology; and
 - 20.1.5. subject to verifiable valuation; a transaction in derivatives is subject to verifiable valuation only if, throughout the life of the derivative (if the transaction is entered into) verification of the valuation is carried out by:
 - 20.1.5.1. an appropriate third party which is independent from the counterparty of the derivative, at an adequate frequency and in such a way that the ACD is able to check it; or

20.1.5.2. 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.

20.1.6. For the purposes of paragraph 20.1.3, "fair value" is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

21. Risk management and reporting: derivatives

The ACD uses a risk management process, enabling it to monitor and measure as frequently as appropriate the risk of a Fund's positions and their contribution to the overall risk profile of a Fund.

22. Investment in deposits

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

23. Schemes replicating an index

23.1. A Fund may invest up to 20% in value of the Scheme Property in shares and debentures which are issued by the same body where the stated investment policy is to replicate the composition of a relevant index as defined below.

23.2. The 20% limit can be raised for a particular Fund up to 35% in value of the Scheme Property, but only in respect of one body and where justified by exceptional market conditions.

23.3. In the case of a Fund replicating an index the Scheme Property need not consist of the exact composition and weighting of the underlying in the relevant index where deviation from this is expedient for reasons of poor liquidity or excessive cost to the scheme in trading in an underlying investment.

23.4. The indices referred to above are those which satisfy the following criteria:

23.4.1. the composition is sufficiently diversified;

23.4.2. the index is a representative benchmark for the market to which it refers;
and

23.4.3. the index is published in an appropriate manner.

24. Derivative exposure

24.1. A Fund may invest in derivatives and forward transactions as long as the exposure to which the Fund is committed by that transaction itself is suitably covered from within its Scheme Property. Exposure will include any initial outlay in respect of that transaction.

24.2. Cover ensures that a Fund is not exposed to the risk of loss of property, including money, to an extent greater than the net value of the Scheme Property. Therefore, a

Fund must hold Scheme Property sufficient in value or amount to match the exposure arising from a derivative obligation to which the Fund is committed.

- 24.3. A future is to be regarded as an obligation to which the Fund is committed (in that, unless closed out, the future will require something to be delivered, or accepted and paid for); a written option as an obligation to which the scheme is committed (in that it gives the right of potential exercise to another thereby creating exposure); and a bought option as a right (in that the purchaser can, but need not, exercise the right to require the writer to deliver and accept and pay for something).
- 24.4. Cover used in respect of one transaction in derivatives or forward transaction must not be used for cover in respect of another transaction in derivatives or a forward transaction.

25. Cover for investment in derivatives

The ACD must ensure that the global exposure of a Fund relating to derivatives and forward transactions held in a Fund does not exceed the net value of the Scheme Property.

26. Daily calculation of global exposure

- 26.1. The ACD must calculate the global exposure of a Fund on at least a daily basis.
- 26.2. For the purposes of this section, exposure must be calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.

27. Calculation of global exposure

- 27.1. The ACD must calculate the global exposure of any Fund it manages either as:
 - 27.1.1. the incremental exposure and leverage generated through the use of derivatives and forward transactions (including embedded derivatives as referred to in paragraph 12 (Derivatives: general), which may not exceed 100% of the net value of the scheme property of a Fund, by way of the commitment approach; or
 - 27.1.2. the market risk of the Scheme Property of a Fund, by way of the value at risk approach.
- 27.2. The ACD must ensure that the method selected above is appropriate, taking into account:
 - 27.2.1. the investment strategy pursued by the Fund;
 - 27.2.2. the types and complexities of the derivatives and forward transactions used; and
 - 27.2.3. the proportion of the Scheme Property comprising derivatives and forward transactions.
- 27.3. Where a Fund employs techniques and instruments including repo contracts or stock lending transactions in order to generate additional leverage or exposure to market

risk, the ACD must take those transactions into consideration when calculating global exposure.

- 27.4. For the purposes of this paragraph, value at risk means a measure of the maximum expected loss at a given confidence level over the specific time period.

28. Borrowing

- 28.1. Cash obtained from borrowing, and borrowing which the ACD reasonably regards an Eligible Institution or an Approved Bank to be committed to provide, is available for cover under paragraph 25 (Cover for investment in derivatives) as long as the normal limits on borrowing (see below) are observed.
- 28.2. Where, for the purposes of this paragraph the Company borrows an amount of currency from an Eligible Institution or an Approved Bank; and keeps an amount in another currency, at least equal to such borrowing for the time on deposit with the lender (or his agent or nominee), then this applies as if the borrowed currency, and not the deposited currency, were part of the Scheme Property.

29. Stock lending

- 29.1. The entry into stock lending transactions or repo contracts for the account of the Fund is permitted for the generation of additional income for the benefit of the Fund, and hence for its investors.
- 29.2. The specific method of stock lending permitted in this section is in fact not a transaction which is a loan in the normal sense. Rather it is an arrangement of the kind described in section 263B of the Taxation of Chargeable Gains Act 1992, under which the lender transfers securities to the borrower otherwise than by way of sale and the borrower is to transfer those securities, or securities of the same type and amount, back to the lender at a later date. In accordance with good market practice, a separate transaction by way of transfer of assets is also involved for the purpose of providing collateral to the "lender" to cover him against the risk that the future transfer back of the securities may not be satisfactorily completed.
- 29.3. The stock lending permitted by this section may be exercised by a Fund when it reasonably appears to the Company to be appropriate to do so with a view to generating additional income for the Fund with an acceptable degree of risk.
- 29.4. The Company or the Depositary at the request of Company may enter into a repo contract or a stock lending arrangement of the kind described in section 263B of the Taxation of Chargeable Gains Act 1992 (without extension by section 263C), but only if all the terms of the agreement under which securities are to be reacquired by the Depositary for the account of the Company, are in a form which is acceptable to the Depositary and are in accordance with good market practice, the counterparty meets the criteria set out in COLL 5.4.4, and collateral is obtained to secure the obligation of the counterparty. Collateral must be acceptable to the Depositary, adequate and sufficiently immediate.
- 29.5. The Depositary must ensure that the value of the collateral at all times is at least equal to the value of the securities transferred by the Depositary). This duty may be regarded as satisfied in respect of collateral the validity of which is about to expire or has expired where the Depositary takes reasonable care to determine that sufficient

collateral will again be transferred at the latest by the close of business on the day of expiry.

- 29.6. Any agreement for transfer at a future date of securities or of collateral (or of the equivalent of either) may be regarded, for the purposes of valuation under COLL 4, as an unconditional agreement for the sale or transfer of property, whether or not the property is part of the Scheme Property of the Fund.
- 29.7. There is no limit on the value of the Scheme Property which maybe the subject of stock lending transactions.
- 29.8. The Funds do not currently use stock lending arrangements.

30. Cash and near cash

- 30.1. Cash and near cash must not be retained in the Scheme Property except to the extent that, where this may reasonably be regarded as necessary in order to enable:
 - 30.1.1. the pursuit of the Funds' investment objectives; or
 - 30.1.2. redemption of shares; or
 - 30.1.3. efficient management of the Fund in accordance with its investment objectives; or
 - 30.1.4. other purposes which may reasonably be regarded as ancillary to the investment objectives of the Fund.
- 30.2. During the period of the initial offer the Scheme Property of the Fund may consist of cash and near cash without limitation.

31. General power to borrow

- 31.1. The Company may, subject to the COLL Sourcebook, borrow money from an Eligible Institution or an Approved Bank for the use of the Funds on terms that the borrowing is to be repayable out of the Scheme Property. This power to borrow is subject to the obligation of the Funds to comply with any restriction in the Instrument of Incorporation.
- 31.2. The ACD must ensure that borrowing does not, on any business day, exceed 10% of the value of each Fund.
- 31.3. These borrowing restrictions do not apply to "back to back" borrowing for currency hedging purposes (i.e. borrowing permitted in order to reduce or eliminate risk arising by reason of fluctuations in exchange rates).

32. General power to accept or underwrite placings

- 32.1. Any power in COLL 5 to invest in transferable securities may be used for the purpose of entering into transactions to which this section applies, subject to compliance with any restriction in the Instrument of Incorporation. This section applies, to any agreement or understanding: which is an underwriting or sub-underwriting

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

- 32.2. This ability does not apply to an option, or a purchase of a transferable security which confers a right to subscribe for or acquire a transferable security, or to convert one transferable security into another.
- 32.3. The exposure of a Fund to agreements and understandings as set out above, on any business day be covered and be such that, if all possible obligations arising under them had immediately to be met in full, there would be no breach of any limit in COLL.

33. Guarantees and indemnities

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

APPENDIX 3 - PAST PERFORMANCE OF ROYAL LONDON FUNDS

Please remember that the value of shares and the income from them is not guaranteed and can fall as well as rise due to stock market and currency movements.

Past performance is not a guide to future performance and when you sell your investment you may get back less than you originally invested, regardless of how well the Fund performs.

Royal London fund	Note	2017
Royal London GMAP Adventurous Fund		10.8
Royal London GMAP Balanced Fund		6.0
Royal London GMAP Conservative Fund		2.9
Royal London GMAP Defensive Fund		3.5
Royal London GMAP Dynamic Fund		12.5
Royal London GMAP Growth Fund		9.1
Royal London Monthly Income Bond Fund	1	n/a
Royal London Multi Asset Strategies Fund	1	n/a

Notes:

(1) The Royal London Monthly Income Bond Fund and Royal London Multi Asset Strategies Fund both launched in 2018 and so no past performance data is yet available.

APPENDIX 4 - OTHER FUNDS MANAGED BY THE ACD

Royal London Unit Trust Managers Limited manages the following funds which are currently open for subscription:

Royal London Equity Funds ICVC

- Royal London European Opportunities Fund
- Royal London UK Opportunities Fund
- Royal London UK Mid-Cap Growth Fund
- Royal London European Growth Fund
- Royal London FTSE® 350 Tracker Fund
- Royal London Japan Tracker Fund
- Royal London UK All Share Tracker Fund
- Royal London UK Dividend Growth Fund
- Royal London US Tracker Fund
- Royal London UK Equity Income Fund
- Royal London UK Equity Fund
- Royal London UK Smaller Companies Fund
- Royal London Asia Pacific ex Japan Tracker Fund
- Royal London Europe ex UK Tracker Fund
- Royal London Emerging Markets Equity Tracker Fund
- Royal London Global Equity Diversified Fund
- Royal London Global Equity Select Fund

Royal London Bond Funds ICVC

- Royal London Ethical Bond Fund
- Royal London Sterling Credit Fund
- Royal London Global Index Linked Fund
- Royal London Corporate Bond Fund
- Royal London UK Government Bond Fund
- Royal London Index Linked Fund
- Royal London Cash Plus Fund
- Royal London Enhanced Cash Plus Fund
- Royal London Short Term Money Market Fund
- Royal London International Government Bond Fund
- Royal London Investment Grade Short Dated Credit Fund
- Royal London European Corporate Bond Fund
- Royal London Duration Hedged Credit Fund
- Royal London Short Duration Global Index Linked Fund
- Royal London Short Duration Gilts Fund
- Royal London Short Duration Credit Fund
- Royal London Cautious Managed Fund

Royal London Property Fund (PAIF)

Royal London Property Trust (a feeder fund for the Royal London Property Fund)

Royal London Multi-Asset Funds ICVC

- Royal London GMAP Conservative Fund
- Royal London GMAP Defensive Fund
- Royal London GMAP Balanced Fund
- Royal London GMAP Growth Fund
- Royal London GMAP Adventurous Fund
- Royal London GMAP Dynamic Fund
- Royal London Monthly Income Bond Fund
- Royal London Multi Asset Strategies Fund

Royal London UK Real Estate Fund
Royal London UK Real Estate Feeder Fund (a feeder fund for the Royal London UK Real Estate Fund)

If you would like the Prospectus or latest ACD/Manager's Report and Accounts for any of the above funds please call the Registrar on 0345 602 3604.