

COLUMBIA THREADNEEDLE FUND MANAGEMENT LIMITED

PROSPECTUS

of

CT DIVERSIFIED MONTHLY INCOME FUND

as at 26 May 2023

**Prepared in accordance with The Collective Investment Schemes Sourcebook (COLL)
(the "Regulations")**

COLUMBIA THREADNEEDLE FUND MANAGEMENT LIMITED

8th Floor, Exchange House, Primrose Street, London. EC2A 2NY

(Registered in England with Company No. 2170242)
Authorised and Regulated by the Financial Conduct Authority

Important Information about this Prospectus

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

This Prospectus has been prepared solely for, and is being made available to investors for the purposes of evaluating an investment in Units in the Trust. Investors should only consider investing in the Trust if they understand the risks involved including the risk of losing all capital invested.

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

The Units have not been and will not be registered under the United States Securities Act of 1933, as amended. They may not be offered or sold in the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia or offered or sold to US persons. The Trust has not been and will not be registered under the United States Investment Company Act of 1940, as amended. The Trust has not been and will not be registered under the United States Investment Advisers Act of 1940.

Units in the Trust are not listed on any investment exchange.

The Units 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 Units are subject to restrictions on transferability and resale and may not be transferred or resold in the United States except as permitted under the 1933 Act and applicable state securities laws, pursuant to registration or exemption therefrom.

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

Automatic exchange of information for international tax compliance

The UK government has enacted legislation enabling it to comply with its obligations in relation to international tax compliance. The Manager is required to collect certain information about Unitholders and their investments to pass to HM Revenue & Customs who may, in turn, pass it on to relevant overseas tax authorities. Please see the Taxation section of this prospectus for further information. By signing the application form to subscribe for Units in the Trust, each affected Unitholder is agreeing to provide such information upon request from the Manager or its delegate. The Manager may exercise its right to redeem completely the holding of an affected Unitholder (at any time upon any or no notice) if he fails to provide the Manager with the information the Manager requests to satisfy its obligations under FATCA or any other similar automatic exchange of information system.

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

The provisions of the Trust Deed are binding on each of the Unitholders (who are taken to have notice of them) and a copy of the Trust Deed is available from the Manager on request.

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

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

The Manager will process the personal information of Unitholders and of prospective investors who contact the Manager. As such, and in accordance with the Manager's obligations under data protection law, the Manager's privacy notice provides details about the collection, use and sharing of personal information in connection with Unitholders' or prospective investors' interest or investment in the Trust. Unitholders and prospective investors may obtain further information about how the Manager processes personal information relevant to the Trust by reading the most up to date version of the Manager's privacy notice at <https://www.columbiathreadneedle.co.uk/en/reitl/privacy-cookie-policy/>.

It is the responsibility of Unitholders or prospective investors to advise any other person whose personal information is provided by such Unitholders or prospective investors to the Manager (such as joint investors) about how the Manager processes personal information and to provide them with the link to the Manager's privacy notice.

This Prospectus is based on information, law and practice at the date hereof. The Manager cannot be bound by an out of date prospectus when it has issued a new Prospectus and investors should check with the Manager that this is the most recently published Prospectus. All communications in relation to this Prospectus shall be in English.

1. **The Manager**

The Manager of the CT Diversified Monthly Income Fund is Columbia Threadneedle Fund Management Limited (the "Manager") incorporated in England on 29 September 1987 as a private limited company. Columbia Threadneedle Fund Management Limited is a wholly owned subsidiary of Columbia Threadneedle AM (Holdings) plc which is incorporated in Scotland. Columbia Threadneedle AM (Holdings) plc is part of Columbia Threadneedle Investments, the global asset management business of Ameriprise Financial, Inc., a company incorporated in the United States. The head office and registered address of Columbia Threadneedle Fund Management Limited is Exchange House, Primrose Street, London EC2A 2NY.

Columbia Threadneedle Fund Management Limited has an issued share capital of £13,200,000 all of which is fully paid up. The directors of the Manager are as follows:-

David Logan
William Marrack Tonkin
Richard Watts
Tina Watts
Charles Porter (Independent)
Rebecca Fuller (Independent)

The individual directors with the exception of Charles Porter and Rebecca Fuller are employed by Columbia Threadneedle Investments.

Charles Porter

Mr Porter has held a position as a non-executive director with Columbia Threadneedle AM (Holdings) plc since 2013. Mr Porter was Head of the Funds and Investment Trusts business at Columbia Threadneedle AM (Holdings) plc until October 2012. Mr Porter co-founded the Thames River Capital Group in 1998. He was also Chief Executive of Nevsky Capital LLP from 2006 to 2012 and joined the board of Columbia Threadneedle AM (Holdings) plc as a non-executive director in 2013. Charlie joined Baring Asset Management in 1987 and was responsible for Barings' UK and International mutual fund businesses and had extensive funds experience in Asia, the Middle East, North America, and Africa. Prior to 1987, Charlie spent five years at a London based investment manager, where he was responsible for their private client investment service.

Rebecca Fuller

Ms Fuller is a qualified Solicitor in England and Wales and Australia and was former General Counsel at Citadel Investment Group (Europe). Ms Fuller is an independent non-executive director with CBOE Europe Limited, Anico Financial Services Limited and is Chair and independent non-executive director to the board of BMO Capital Markets Limited.

Authorised Collective Investment Schemes (CISs) managed by the Manager are:

Columbia Threadneedle (UK) ICVC I, Columbia Threadneedle (UK) ICVC II, Columbia Threadneedle (UK) ICVC III, Columbia Threadneedle (UK) ICVC IV, Columbia Threadneedle (UK) ICVC V, Columbia Threadneedle (UK) ICVC VI, Columbia Threadneedle (UK) ICVC VII, , Columbia Threadneedle (UK) ICVC IX, Columbia Threadneedle (UK) ICVC X, CT UK Property Fund ICVC, CT Property Growth & Income Fund ICVC, and as Manager to the authorised unit trusts CT Diversified Monthly Income Fund and CT UK Property Feeder Fund

The Manager has delegated certain unit dealing and administration tasks to SS&C Financial Services Europe Ltd, SS&C House, St Nicholas Lane, Basildon Essex SS15 5FS and certain fund accounting and unit pricing tasks to State Street Bank and Trust Company, London Branch.

Remuneration Policy

The Manager is required to have a remuneration policy (the "Remuneration Policy") that is in accordance with the requirements of SYSC 19E of the FCA Handbook.

The Remuneration Policy must ensure that the Manager's remuneration practices, for those staff caught by the applicable rules:

- are consistent with and promote sound and effective risk management;
- do not encourage risk taking and are consistent with the risk profiles, or the Trust Deed or Prospectus, of the UCITS funds it manages;
- do not impair the Manager's compliance with its duty to act in the best interests of those funds; and
- include fixed and variable components of remuneration including salaries and discretionary pension benefits.

When applying the Remuneration Policy, the Manager must comply with the applicable rules in a way, and to the extent, that is appropriate to the size, internal organisation and the nature, scope and complexity of the Manager activities.

The Remuneration Policy must:

- be in line with the business strategy, objectives, values and interests of:
 - the Manager;
 - the UCITS funds managed by the Manager; and
 - the Unitholders; and
- include measures to avoid conflicts of interest.

Up-to-date details of a description of how remuneration and benefits are calculated and the identities of the persons responsible for awarding the remuneration and benefits (including the composition of the remuneration committee, where such committee exists) is available on the Manager's website (www.columbiathreadneedle.com). A paper copy of the information provided on this website is available free of charge following a request to the Manager.

Conflicts of interest

The Manager maintains a written conflict of interest policy. The Manager 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 Trust or its Unitholders will be prevented. Should any such situations arise the Manager will, as a last resort if the conflict cannot be avoided, disclose these to unitholders in the report and accounts or otherwise an appropriate format.

Details of the Manager's conflicts of interest policy are available on its website at: www.columbiathreadneedle.com.

2. The Trustee and Depositary

The Trustee and Depositary of the Fund is State Street Trustees Limited (the "Trustee") a private company limited by shares incorporated in England and Wales on 24 October 1994. Its registered office is at 20 Churchill Place, London E14 5HJ and its principal place of business is at Quatermile 3, 10 Nightingale Way, Edinburgh, EH3 9EG. Its ultimate holding company is State Street Corporation which is incorporated in Massachusetts, USA. The principal business activity of the Trustee is acting as depositary and trustee of collective investment schemes. The Trustee is authorised by the Financial Conduct Authority.

Terms of Appointment:

The appointment of the Trustee, in its capacity as depositary of the Fund, has been made under an agreement dated 16 June 2016 between the Company and the Trustee (the "Depositary Agreement").

The Depositary Agreement may be terminated by either party on not less than ninety days' notice in writing.

The Depositary Agreement provides indemnities to the Trustee in the discharge of its functions to the extent permitted by the Regulations (except in relation to any cost, expense, charge, loss or liability arising out of the negligence, fraud or wilful default of the Depositary or breach by the Trustee of the COLL Sourcebook or the Conduct of Business Sourcebook).

The fees to which the Trustee is entitled under the Depositary Agreement are set out below.

Trustee's Functions:

The Trustee has been entrusted with following main functions:

- ensuring that the sale, issue, repurchase, redemption and cancellation of Units are carried out in accordance with applicable national law and the Trust Deed.
- ensuring that the value of the Units is calculated in accordance with applicable national law and the Trust Deed.
- carrying out the instructions of the Manager unless they conflict with applicable national law or the Trust Deed.
- ensuring that in transactions involving the assets of the Fund any consideration is remitted within the usual time limits.
- ensuring that the income of the Fund is applied in accordance with applicable national law and the Trust Deed.
- monitoring of the Fund's cash and cash flows.
- safe-keeping of the Scheme Property.

Trustee's Liability:

In carrying out its duties the Trustee shall act honestly, fairly, professionally, independently and solely in the interests of the Fund and its Unitholders and to the standard expected of a professional depositary.

In the event of a loss of a financial instrument held in custody, determined in accordance with the UCITS Directive (or the statutory equivalent thereof which forms part of UK law by virtue of the European Union (Withdrawal) Act 2018, as applicable), and in particular Article 18 of the UCITS Level 2 Regulation as defined in the FCA Handbook, the Trustee shall return financial instruments of identical type or the corresponding amount to the Fund without undue delay.

The Trustee shall not be liable if it can prove that the loss of a financial instrument held in custody has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary pursuant to the UCITS Directive (or the statutory equivalent thereof which forms part of UK law by virtue of the European Union (Withdrawal) Act 2018, as applicable).

In case of a loss of financial instruments held in custody, the Unitholders may invoke the liability of the Trustee directly or indirectly through the Manager provided that this does not lead to a duplication of redress or to unequal treatment of the Unitholders.

The Trustee will be liable to the Fund for all other losses suffered by the Fund as a result of the Trustee's negligence, fraud or intentional failure to properly fulfil its obligations pursuant to the UCITS Directive (or the statutory equivalent thereof which forms part of UK law by virtue of the European Union (Withdrawal) Act 2018, as applicable).

The Trustee shall not be liable for consequential or indirect or special damages or losses, arising out of or in connection with the performance or non-performance by the Trustee of its duties and

obligations.

Delegation:

The Trustee has full power to delegate the whole or any part of its safe-keeping functions but its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. The Trustee's liability shall not be affected by any delegation of its safe-keeping functions under the Depositary Agreement.

Information about the safe-keeping functions which have been delegated and the identification of the relevant delegates and sub-delegates are contained in Appendix 6 of the Prospectus.

Conflicts of Interest which may arise between the Trustee, the Fund, the Unitholders or the Manager:

The Trustee is part of an international group of companies and businesses that, in the ordinary course of their business, act simultaneously for a large number of clients, as well as for their own account, which may result in actual or potential conflicts. Conflicts of interest arise where the Trustee or its affiliates engage in activities under the depositary agreement or under separate contractual or other arrangements. Such activities may include:

1. providing nominee, administration, registrar and transfer agency, research, agent securities lending, investment management, financial advice and/or other advisory services to a fund;
2. engaging in banking, sales and trading transactions including foreign exchange, derivative, principal lending, broking, market making or other financial transactions with a fund either as principal and in the interests of itself, or for other clients.

In connection with the above activities the Trustee or its affiliates:

1. will seek to profit from such activities and are entitled to receive and retain any profits or compensation in any form and are not bound to disclose to the Fund, the nature or amount of any such profits or compensation including any fee, charge, commission, revenue share, spread, mark-up, mark-down, interest, rebate, discount, or other benefit received in connection with any such activities;
2. may buy, sell, issue, deal with or hold, securities or other financial products or instruments as principal acting in its own interests, the interests of its affiliates or for its other clients;
3. may trade in the same or opposite direction to the transactions undertaken, including based upon information in its possession that is not available to the Fund;
4. may provide the same or similar services to other clients including competitors of the Fund;
5. may be granted creditors' rights by the Fund which it may exercise.

A Fund may use an affiliate of the Trustee to execute foreign exchange, spot or swap transactions for the account of the Fund. In such instances the affiliate shall be acting in a principal capacity and not as a broker, agent or fiduciary of the Fund. The affiliate will seek to profit from these transactions and is entitled to retain and not disclose any profit to the Fund. The affiliate shall enter into such transactions on the terms and conditions agreed with the Fund.

Where cash belonging to a Fund is deposited with an affiliate being a bank, a potential conflict arises in relation to the interest (if any) which the affiliate may pay or charge to such account and the fees or other benefits which it may derive from holding such cash as banker and not as trustee.

The Manager may also be a client or counterparty of the Trustee or its affiliates.

Potential conflicts that may arise in the Trustee's use of sub-custodians include four broad categories:

1. conflicts from the sub-custodian selection and asset allocation among multiple sub-custodians influenced by (a) cost factors, including lowest fees charged, fee rebates or

similar incentives and (b) broad two-way commercial relationships in which the Depositary may act based on the economic value of the broader relationship, in addition to objective evaluation criteria;

2. sub-custodians, both affiliated and non-affiliated, act for other clients and in their own proprietary interest, which might conflict with clients' interests;
3. sub-custodians, both affiliated and non-affiliated, have only indirect relationships with clients and look to the Trustee as its counterparty, which might create incentive for the Trustee to act in its self-interest, or other clients' interests to the detriment of clients; and
4. sub-custodians may have market-based creditors' rights against client assets that they have an interest in enforcing if not paid for securities transactions.

In carrying out its duties the Trustee shall act honestly, fairly, professionally, independently and solely in the interests of the Trust and its Unitholders.

The Trustee 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 Trustee issues to be properly identified, managed and monitored. Additionally, in the context of the Trustee use of sub-custodians, the Trustee imposes contractual restrictions to address some of the potential conflicts and maintains due diligence and oversight of sub-custodians to ensure a high level of client service by those agents. The Trustee further provides frequent reporting on clients' activity and holdings, with the underlying functions subject to internal and external control audits. Finally, the Trustee internally separates the performance of its custodial tasks from its proprietary activity and follows a Standard of Conduct that requires employees to act ethically, fairly and transparently with clients.

Up-to-date information on the Trustee, its duties, any conflicts that may arise, the safe-keeping functions delegated by the Trustee, the list of delegates and sub-delegates and any conflicts of interest that may arise from such a delegation will be made available to Unitholders on request.

3. The Investment Manager

The Manager has appointed the Investment Manager, Columbia Threadneedle Management Limited, to provide investment management and advisory services to the Manager.

The Investment Manager's registered office is at Exchange House, Primrose Street, London EC2A 2NY. As with the Manager, the Investment Manager is a member of the Manager's group.

The principal activity of the Investment Manager is the provision of investment management services. The Investment Manager does not act as a broker fund adviser to the Trust.

Terms of Appointment:

The Investment Manager was appointed by an agreement effective from 3 January 2018 between the Manager and the Investment Manager, as amended from time to time ("the Investment Management Agreement").

Subject to appropriate controls imposed by the Manager, all relevant law and regulation, this Prospectus and the Trust Deed, the Investment Manager has discretion to take day to day investment decisions and to deal in investments in relation to the investment management of the Trust, without prior reference to the Manager.

Under the Investment Management Agreement the Manager provides indemnities to the Investment Manager (except in the case of any matter arising as a direct result of its fraud, negligence, or wilful default).

The Investment Management Agreement may be terminated on three months' written notice being given to the other by the Investment Manager or the Manager or immediately in certain circumstances.

The Investment Manager has full power to delegate the whole or any part of its duties under the Investment Management Agreement, subject to the prior written consent of the Manager. The Investment Manager shall remain liable for any function which it has so delegated.

It is noted that the Investment Manager may use services provided by affiliated companies of Ameriprise Financial Inc.

4. **The Registrar and the Register**

The Registrar of the Fund is SS&C Financial Services Europe Ltd, SS&C House, Basildon, Essex SS15 5FS.

5. **Fund accounting and unit pricing**

The Manager has appointed State Street Bank and Trust Company, London Branch to provide certain fund accounting and unit pricing services to the fund. The cost of these services is paid out of the annual management charge.

6. **The Auditor**

The Auditor of the Fund is PricewaterhouseCoopers LLP whose address PWC Level 4, Atria One, 144 Morrison Street, Edinburgh EH3 8EX.

7. **The CT Diversified Monthly Income Fund**

The Fund is an authorised unit trust. The Fund is classified as a UCITS scheme. The base currency of the Fund is Pounds Sterling.

The Fund was established on 26th January 1993 as an authorised unit trust scheme.

The investment objective and policy of the Fund are set out at the end of this document. The Fund will be managed so as to be eligible as an investment for an Individual Savings Account as defined from time to time. A list of the 'eligible markets' in which investments are made is contained in Appendix 1 at the back of this document.

This Fund is intended for investors seeking a high monthly income through investing in derivatives, debentures, equities, fixed interest securities, collective investment schemes and other permitted investments. Investors should understand the volatility of investing in equity and debt instruments and be able to accept the possibility of capital losses. The Fund is only intended for investors who understand that a high monthly income is not guaranteed.

The accounting reference date of the Fund is April 30th with accounting periods ending on the last day of other months of the year. Distributions of interest payments to which holders of income units are entitled will normally be made on the twenty eighth day of each month, in respect of units held on the last day of the previous month.

8. **The Characteristics of Units in the Scheme**

(a) Types of Units

The CT Diversified Monthly Income Fund is constituted by a Trust Deed, made between the Trustee and the Manager. The property of the Fund is held by the Trustee on trust for the unitholders of the Trust pari passu according to the number of undivided units in the property of the Fund represented by the units held by each unitholder.

The Fund issues income units. With income units, the distribution of income in respect of an accounting period is made to all those who are unitholders on the day before the "xd" or "ex-distribution" date (i.e. the date two calendar months before the distribution is paid).

On the last day in the accounting period, the income built up in each Fund is transferred to a distribution account pending distribution. The next day the price per unit is adjusted to take account of this and the price is quoted "xd" until after the distribution has taken place. The Fund has the power within its Trust Deed to issue accumulation units but has not done so. With accumulation units the income of the Fund is retained in the Fund on behalf of the unitholders, so that the price of accumulation units gradually draws away from that of income units.

Several Classes of Units may be issued in respect of the Fund. Currently the Fund may have one or more of the following Classes, distinguished by their criteria for subscription and fee structure:

Class 1 Shares : minimum investment £1,000

Class C Shares: minimum investment £500,000

Class L Shares: minimum investment £500,000

The Share Classes currently available are set out in Appendix 4 with full details of the fee structure, current investment and holding limits.

The Manager may compulsorily convert or switch Units where to do so is considered by the Manager to be in the best interests of Unitholders. Unitholders will be given the appropriate advance notice by the Manager should the Manager choose to carry out any such compulsory conversion.

(b) Nature of the Unit

The nature of the right represented by each type of unit is that of a beneficial interest under a trust.

(c) Certificates

Registration details of all new unitholders will be supplied to the Registrar who enters them in the Register (such entry being conclusive evidence as to the persons entitled to units).

(d) Voting Rights

The Trustee or the Manager may convene meetings of unitholders on giving at least fourteen days notice. Additionally holders of not less than one tenth of the units of the Fund in issue may request the Trustee to convene a meeting. At any such meeting unitholders may sanction amendments to the Trust Deed, approve certain policy changes, approve the removal of the Manager or approve an arrangement for the amalgamation or reconstruction of the Fund. At a unitholder meeting, on a show of hands, each registered unitholder who (being an individual) is present in person or by proxy or (being a corporation) is present by one of its officers shall have one vote.

If a poll is demanded each registered unitholder present in person or by proxy shall have one vote for each undivided share in the Fund property and a further part of one vote proportionate to any fraction of such individual share of which he is the holder and a unitholder 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.

Income and accumulation unitholders shall have equal voting rights. Any resolution put to a meeting of holders will be proposed as an extraordinary resolution requiring the support of at least 75 per cent. of the votes cast. The quorum at a meeting of unitholders is two unitholders present in person or by proxy on a date to be determined by the Manager and stated in the notice of meeting which is a reasonable time before the notice of meeting was sent out. In the case of an adjourned meeting the quorum shall be one unitholder entitled to be counted in a quorum present at the meeting.

9. Valuation of Fund Property and Pricing Basis

The property of the Fund is normally valued at 12 noon on each business day (the "Valuation Point") (being, for the purposes of this Prospectus, each full day on which The London Stock Exchange is open for business) and relevant prices are usually available from 5.00 p.m. Public Holidays, early Stock Exchange closing and concessionary company holidays may, from time to time, cause the Funds to be valued at times other than those stated above.

For the purpose of determining the issue price of units, the Fund property will be valued on an offer basis and for the purpose of determining the cancellation price of units the Fund property will be valued on a bid basis.

The price at which the Manager sells units (the offer price), may not exceed the issue price of units plus the Manager's initial charge. The price at which the Manager redeems units (the bid price) will

not be less than the cancellation price (less any redemption charge). The bid price will not exceed the relevant issue price.

Large deals may be carried out at a higher offer price or a lower bid price than those published, provided these prices do not exceed the relevant maximum and minimum parameters set out in the paragraph above.

The Manager will, upon completion of each valuation, notify the Trustee of the issue price, the cancellation price, the maximum offer price and the minimum bid price of Units, of each Class.

The price per unit at which units are issued or cancelled is calculated by taking the proportion, attributable to the units of the class in question, of the value on the issue basis (when calculating the issue price per unit) or the cancellation basis (when calculating the cancellation price per unit) of the Fund Property by reference to the most recent valuation, computing the number of units of the relevant class in issue immediately before that valuation, dividing the total by that number of units. 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.

10. **Manager's Charges**

On the last business day of each month or as soon as possible thereafter, the management charge (a periodic charge calculated by reference to the mid-market value of the property of the Fund calculated at daily accrual intervals) will be paid out of the Fund property to the Manager at the rate of 1.5 per cent per annum for all the Funds. The management charge shall be paid out of the capital property of the Fund.

The Manager will remunerate the Investment Manager a pro-rata share of the management charge received by the Manager in respect of those Funds where the management duties have been delegated to the Investment Manager. The ultimate parent company of the Investment Manager is Ameriprise Financial, Inc.

The current charge may only be increased in accordance with the Regulations and after the Manager has published and made available a revised Prospectus sharing the new rate of charge and its commencement date.

An initial charge of five per cent of the creation price of units is included in the price at which units are purchased from the Manager. Such charge is retained by the Manager. The Manager is under no obligation to account to the Trustee or the unitholders of the Trust for any profits made by the Manager on the issue of units or the re-issue or cancellation of units which the Manager has redeemed.

11. **Other Charges and Expenses**

(a) Trustee's Remuneration

The Trustee's remuneration, which is payable out of the Scheme assets, is a periodic charge at such annual percentage rate of the value of the property of each Scheme as the Manager and the Trustee shall at their discretion from time to time agree, with the property of each Scheme being valued and such remuneration accruing and being paid on the same basis as the Manager's periodic charge. Currently, the Manager and the Trustee have agreed that the Trustee's remuneration in respect of each Scheme shall be calculated on a sliding scale as follows:

On the first £50 million	0.017%
On the next £50 million	0.015%
On the balance over £100 million	0.012%

The Trustee is only permitted to increase its remuneration in accordance with the Regulations and after the Manager has made available a revised Prospectus to reflect the proposed increase.

The Trustee is also entitled to receive out of the property of the Scheme remuneration for such services as the Manager and the Trustee may from time to time agree, being services provided by the Trustee in performing or arranging for the performance of the functions conferred on the Trustee

by the Trust Deed of that Scheme. The amount or rate of such remuneration for any such service is determined by reference to any scale or tariff in respect thereof from time to time published by the Trustee unless the Trustee and the Manager agree otherwise provided that such charges are on terms no less favourable than would be applicable to a comparable customer of the Trustee. Service charges (other than in respect of acting as registrar, which may accrue and be paid on the same basis as the Trustee's periodic charge) shall accrue when the relevant transaction or other dealing is effected and shall be paid in arrears on the next following date on which payment of the Trustee's periodic charge is to be made or as soon as practicable thereafter. Currently the Trustee does not receive any remuneration or service charges under this paragraph.

Trustees Expenses

In addition to the remuneration referred to above, the Trustee 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 by the Trust Deed or Regulations.

The Trustee is entitled to receive reimbursement of the Custodian's fee as an expense of the Scheme.

The Trustee has appointed State Street Bank and Trust Company as the Custodian of the property of the Scheme. State Street Bank and Trust Company's remuneration for acting as Custodian is calculated at such rates as the Manager, Trustee and the Custodian may from time to time agree and is calculated at an ad valorem rate determined by the territory or country in which the Scheme assets are held. Currently, the lowest rate is 0.0004% and the highest rate is 0.50%. 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 £6 - £105 per transaction.

The Trustee is also entitled to be reimbursed out of the property of each Scheme in respect of remuneration charged by the Custodian for such services as the Manager, Trustee and the Custodian may from time to time agree, being services delegated to the Custodian by the Trustee in performing or arranging for the performance of the functions conferred on the Trustee by the Trust Deed of that Scheme. The amount or rate of such remuneration for any such service is determined by reference to any scale or tariff in respect thereof from time to time published by the Custodian unless the Custodian, Trustee and the Manager agree otherwise provided that such charges are on terms no less favourable than would be applicable to a comparable customer of the Custodian. Service charges shall accrue when the relevant transaction or other dealing is effected and shall be paid in arrears. Currently the Custodian does not receive any remuneration or service charges under this paragraph.

(b) Registrar's Remuneration

In addition, the Manager shall be entitled to a registrar's fee of £35.72 per annum as at 1 January 2023. This fee is adjusted upwards on 1 January each year by an amount corresponding to the increase in the Retail Price Index since the previous 1 January. Charges in relation to the establishment and maintenance of the Register are paid monthly in arrears. This charge is paid out of the property of the Fund.

(c) Other Expenses

In addition to the Manager's and Trustee's charges the following expenses are payable out of the property of the Fund and are determined where appropriate by agreement between the parties involved:

- (a) dealing costs (including brokers commissions);
- (b) interest on borrowings and certain administrative costs in connection therewith;
- (c) taxation or duty payable in respect of trust property, the Trust Deed or the issue of units;
- (d) any costs incurred in modifying a Trust Deed including those incurred in holding a meeting at which the approval of a modification is necessary (or in certain circumstances, expedient) by reason of or as a consequence of a change in the law or to remove obsolete provisions from the Trust Deed is proposed;
- (e) any registrars fees or charges;
- (f) any costs incurred in respect of meetings called by the Trustee alone or by unitholders (other than the Manager or its associate);
- (g) auditors fees and expenses (plus VAT);
- (h) the fees of the Financial Conduct Authority and of any other relevant regulatory authorities;

(i) certain liabilities on unitisation, amalgamation, and reconstruction.

All payments of a capital nature properly payable out of the Fund property shall be paid out of the capital property of the Fund. All payments of an income nature, properly so payable, shall be paid out of the income property of the Fund, save that to the extent the income property of the Fund is insufficient to meet the income payments they shall be paid out of the capital property of the Fund.

Any third party research received in connection with investment advisory services that an Investment Manager or the Manager provides to the Trust will be paid for by the Investment Manager or the Manager, as relevant, out of its fees and will not be charged to the Trust.

12. Distributions

For the CT Diversified Monthly Income Fund distribution of interest payments (if any) to which holders of income units are entitled will normally be made on the twenty eighth day of each month in respect of units held on the last day of the previous month.

On the first distribution which the unitholder is entitled to participate in following the purchase of units in a Fund, other than a purchase during the initial launch period, the unitholder will receive as part of the distribution a capital sum representing that part of the purchase price of the units which represents the value of the accrued income at the time of purchase. This is known as "Equalisation". The amount of Equalisation paid will be the average amount of the accrued income applicable to all units purchased during the accounting period in question (the "grouping period").

The Manager will as far as possible attempt to smooth the monthly distributions payable by each Class of unit during the year. This will be achieved by carrying over income received in months with above average expectations in order to supplement the income in months with lower levels of income receipt. The rate at which income will be distributed during each calendar quarter will be determined by the Manager by reference to the price of the relevant Class of unit at the commencement of the relevant calendar quarter. This is however no guarantee that an equal level of income will be maintained in all months.

13. Issue and Redemption of Units

Instructions should be addressed to the Manager at Columbia Threadneedle Fund Management Limited, PO BOX 9040, Chelmsford, Essex CM99 2XH, or by telephoning the dealing line on 0330 123 3798. In addition the Manager may from time to time make arrangements to allow shares to be bought or sold through other communication means.

Telephone calls may be recorded by the Manager, 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 "Telephone recording" for further information.

Subject to and in accordance with the Regulations, the issue or cancellation of units may take place through the Trustee directly.

It is the Manager's policy generally not to hold units or seek to make a profit from holding units.

The Manager will normally receive requests for the issue and redemption of units on any business day (being, for the purposes of this Prospectus, each full day on which The London Stock Exchange is open for business) between 9.00 a.m. and 5.00 p.m. Public Holidays, early Stock Exchange closing and concessionary company holidays may, from time to time, cause the issue and redemption to be carried out at times other than those stated above.

Units can be bought by post, by telephone or through an approved agent, at the issue price determined at the next Valuation Point. The Trusts are valued on a forward basis. Settlement will be required within 4 business days of the date of the contract note. Under certain circumstances the Manager may be required to verify the identity of the purchaser(s) of units. The absence of suitable information being supplied on a timely basis may result in the forced sale of units and/or the withholding of sales proceeds.

Instructions to redeem units may be given to the Manager during normal business hours. Units will be redeemed at the redemption price determined at the next Valuation Point. Unitholders should telephone or write to the Manager, but in either case the renunciation form should be completed and forwarded to the Manager. A cheque for the full amount due is sent within four business days (or in the case of units in a Trust which is for the time being invested as to more than 50% in Government and Public Securities (GAPS), one business day) of receipt of the duly completed renunciation form.

A request to purchase or redeem units with an aggregate value in excess of £15,000 may be treated as a "large deal" within the meaning of the Regulations.

The minimum initial investment is £2,500. Any number of units can be added at any time. If unitholders wish to redeem their units, partial disposals will be allowed provided units worth at least £2,500 are left in the holding.

The issue and redemption prices of units will be published daily in the Financial Times. The Manager is under no obligation to account to the Trustee or the Unitholders for any profit it makes on the issue of units or on the re-issue of units or on the cancellation of units which it has redeemed.

Longer term investment

The Trust is designed and managed to support longer-term investment and active trading is discouraged. Short-term or excessive trading into and out of the Trust may harm performance by disrupting portfolio management strategies and by increasing expenses. The Manager may at its discretion refuse to accept applications to deal in Units, especially where transactions are deemed disruptive, particularly from possible market timers or investors who, in its opinion, have a pattern of short-term or excessive trading or whose trading has been or may be disruptive to the Trust. For these purposes, the Manager may consider an investor's trading history in the Trust or other Columbia Threadneedle Fund Management Limited funds and accounts under common ownership or control.

Money laundering

As a result of legislation in force in the UK to prevent money laundering, the Manager is responsible for ensuring that transactions in Units are processed in accordance with the money laundering regulations. In order to implement these procedures, in certain circumstances investors may be asked to provide proof of identity when buying or redeeming Units. Until satisfactory proof of identity is provided, the Manager reserves the right to refuse to issue Units, pay the proceeds of a redemption of Units, or pay income on Units to the investor.

Automatic exchange of information for international tax compliance

Under UK legislation, the Manager (or its agent) is required to collect certain information about unitholders and their investments to pass to HM Revenue & Customs who may, in turn, pass it on to relevant overseas tax authorities. Please see the Taxation section of this prospectus for further information.

US Investors

Due to legal and compliance burdens associated with permitting investments from US residents and US domiciled entities, the Fund does not accept applications for the purchase or subscription of units from any US Person and does not accept requests for transfer to any person that is a US Person.

Each investor will be required to represent that the investors is not a US Person and the units are not being acquired for the benefit or account of, directly or indirectly, any US Person. For this purpose a US Person is a person who is in either of the following two categories: (a) a person included in the definition of US person under Rule 902 of Regulation S under the 1933 Act, or (b) a person excluded from the definition of Non-United States person as used in the Commodity Futures Trading Commission (CFTC) Rule 4.7. For the avoidance of doubt, a person is excluded from this definition of US Person only if he/she or it does not satisfy any of the definitions of US person in Rule 902 and qualifies as a Non-United States person under CFTC Rule 4.7.

Investors must notify the Administrator if they have moved to the United States or have otherwise become US Persons. Upon such notification, or if the Administrator or Manager determines that there

is a reasonable basis for believing that the investor has become a US Person, the investor's account may be frozen and/or compulsorily redeemed and further investments or transfers between funds will not be accepted. Other rights attaching to the units previously purchased will not be affected.

In Specie Applications

The Manager may, by special arrangement and at its discretion, agree to arrange for the issue of units in exchange for assets other than cash, but will only do so where the Trustee has taken reasonable care to ensure that the acquisition by the Fund of those assets in exchange for the units concerned is not likely to result in any material prejudice to the interests of unitholders or potential unitholders. However, the Manager will not issue units linked to the Fund in exchange for assets the holding of, which would be inconsistent with the investment objective, or policy of the Fund. The Manager will ensure that the beneficial interest in the assets concerned is transferred to the Fund with effect from the issue of the relevant units, even if the legal ownership is not then transferred to the Trustee.

In Specie Redemptions

Where a unitholder requests redemption or cancellation of units, the Manager may, at its discretion, give written notice to the unitholder before the proceeds of the cancellation would otherwise become payable that, in lieu of paying such proceeds in cash, the Manager will transfer to that holder property attributable to the Fund having the appropriate value. Where such a notice is given, the unitholder may, by written notice given to the Manager before the relevant property is transferred to the holder, require the Manager to arrange for a sale of that property and the payment to the unitholder of the net proceeds of that sale.

The selection of the property to be transferred (or sold) will be made by the Manager, in consultation with the Trustee. The Trustee must take reasonable care to ensure that the property transferred would not be likely to result in any material prejudice to the interests of unitholders.

14. Suspensions

The Manager may, with the prior agreement of the Trustee, and must without delay if the Trustee so requires temporarily suspend the issue, cancellation, sale and redemption of units in the Fund where due to exceptional circumstances it is in the interests of all the unitholders in the Fund. The Manager and the Trustee must ensure that the suspension is only allowed to continue for as long as is justified having regard to the interests of unitholders. The Manager will notify unitholders 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 Unitholders details of how to find further information about the suspensions.

Where such suspension takes place, the Manager will publish sufficient details on its website or by other general means, to keep unitholders 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 Manager 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 Manager and the Trustee 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 unitholders. The Manager may agree during the suspension to deal in Units 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 units. This suspension may be restricted to any single Fund, or Class within that Fund. Dealings in units in the relevant Fund or Class will commence on the next appropriate Valuation Point following the end of the suspension at the unit price calculated at that Valuation Point.

15. General Information

- (a) Reports and Trust Deeds

Report & Accounts are sent to unitholders twice a year within four months of the accounting reference date and two months of the day falling six months after the accounting reference date of a Fund or as soon as practicable thereafter. The annual report and half-yearly reports are prepared as both long and short reports. Unitholders will receive copies of the annual and half-yearly short reports on publication. Copies of the Trust Deed, most recent Prospectus and the latest Report and Accounts may be inspected at and obtained from the Manager's offices at Exchange House, Primrose Street, London EC2A 2NY.

(b) Taxation

General

The information below is a general guide based on current UK law and HM Revenue & Customs practice, both of which are subject to change. It summarises the tax position of the Trust and of investors who are UK-resident (except where indicated) and hold Units as investments. The tax treatment of investors depends on their individual circumstances and may be subject to change in the future. Unitholders or prospective investors who are in any doubt about their tax position, or who may be subject to tax in a jurisdiction other than the UK, are recommended to take professional advice if they are in any doubt about their tax position.

The Fund

The Fund is exempt from tax on capital gains realised on the disposal of investments (including interest-paying securities and derivatives, but excluding offshore income gains).

The Fund is generally exempt from tax on any UK and overseas dividends received. Any other income remaining, after deduction of the Fund's management costs, expenses and interest distributions, is liable to corporation tax at 20%.

The Fund pays interest distributions.

Distributions will be paid to Unitholders or accumulated, depending on the class, and Unitholders will be liable to tax on the amount of the distribution in either case.

Taxation of individual Unitholders

Interest distributions

From 6 April 2016, individual UK-resident taxpayers are entitled to a personal savings allowance in each tax year. For basic rate taxpayers, the first £1,000 of interest and interest distributions is free of tax. For higher rate taxpayers, the allowance is £500, and for additional rate taxpayers the amount is nil. To the extent that any interest distribution falls within this allowance or an individual's unused personal tax allowance, then the individual will be able to reclaim the tax deducted from those distributions. Where an individual receives more interest and interest distributions than the savings allowance, the income tax deducted will satisfy the investor's basic rate liability to tax. Higher rate taxpayers will have an additional liability of 25% of the amount received. Additional rate taxpayers will have an additional liability of 31.25% of the amount received. UK non-taxpayers and starting rate taxpayers should be able to reclaim the tax deducted from HM Revenue & Customs.

From April 2017, no tax will be deducted from any interest distributions following a Government announcement. As a result, where individuals' interest and interest distributions exceed their personal savings allowances, they will be liable to pay income tax at their highest rates (20% for basic rate, 40% for higher rate and 45% for additional rate taxpayers) on the taxable amount.

Capital gains

Individual Unitholders may be liable to capital gains tax when they realise a gain from the redemption, sale or other disposal of Units, depending on their personal circumstances.

UK-resident individuals are entitled to an annual exempt amount. If an individual's capital gains for a tax year (after deducting any allowable capital losses) are greater than the annual exempt amount,

the excess will be taxed at 10% for basic rate taxpayers and 20% for higher and additional rate taxpayers.

Income distributions (excluding equalisation) accumulated on accumulation Units should be deducted when calculating the capital gain. Further information is available in HM Revenue & Customs' Help Sheets for the capital gains tax pages of their tax returns.

Taxation of corporate Unitholders

Interest distributions

A corporate Unitholder must account for its holding in accordance with the loan relationships tax regime. This requires the Unitholder's interest in the Fund (including the gross amount of any distributions received) to be taken into account for corporation tax on a fair value basis.

Corporate Unitholders can set any income tax deducted from interest distributions against their tax liability or else reclaim it.

Chargeable gains

Corporate Unitholders' holdings come within the corporate loan relationships rules (see interest distributions above), so the fair value return on their holding (including distributions) will be charged or relieved as income and not as a chargeable gain.

Taxation of Unitholders – general

Equalisation

The first income distribution to a Unitholder accumulated after buying Units may include an amount of income equalisation, which will be shown on the tax vouchers. This is effectively a repayment of the income equalisation paid by the Unitholder as part of the purchase price. It is a return of capital and is not taxable. It should, be deducted from the cost of income Units (but not accumulation Units) when computing any capital gains.

Unitholders who are not tax-resident in the UK

No UK taxes are deducted from interest distributions and there is no associated tax credit. Shareholders may be liable to tax on them in their country of tax residence.

Automatic exchange of information for international tax compliance

The Manager (or its agent) will collect and report information about Unitholders and their investments, including information to verify their identity and tax residence.

When requested to do so by the Manager or its agent, Unitholders must provide information to be passed on to HM Revenue & Customs, and, by them, to any relevant overseas tax authorities. If a Unitholder does not provide the necessary information, the Manager will be required to report it to HM Revenue & Customs who will in turn report it to the United States' and certain other tax authorities.

This is required by UK legislation implementing its obligations under various intergovernmental agreements relating to the automatic exchange of information to improve international tax compliance (including the international common reporting standard, the United States provisions commonly known as FATCA, and other intergovernmental agreements for the automatic exchange of information).

(c) Data Protection Act

Please note that your name will be added to a mailing list which may be used by ourselves and associated companies to send you details of new and existing products. If you prefer not to receive such details, please write to: The Data Protection Officer, Columbia Threadneedle Management

Limited, Exchange House, Primrose Street, London EC2A 2NY. Calls made to CTI may be recorded and randomly monitored for training purposes.

(d) Cancellation Rights

Certain investors entering into a contract to purchase units following advice from an independent intermediary will under the FCA Regulations have the right to cancel their purchase of units within 14 days of receipt of the cancellation notice. Otherwise cancellation rights are at the discretion of the Manager.

(e) Winding up

In a case of (i) and (ii) above, the Trustee shall as soon as practicable after the Fund falls to be wound up, realise the property of the Fund and, after paying out all liabilities properly so payable and retaining provision for the costs of the winding up, distribute the proceeds of that realisation to the unitholders and the Manager (upon production by them of evidence as to their entitlement thereto) proportionately as to their respective interests in the Fund. Any unclaimed net proceeds or other cash held by the Trustee after the expiration of 12 months from the date on which the same became payable shall be paid by the Trustee into court subject to the Trustee having a right to retain any expenses incurred by him in making that payment into court. In a case falling under (iii) above, the Trustee shall wind up the Fund in accordance with the duly approved scheme of amalgamation or reconstruction.

(f) Risk Management

A statement of the methods used for risk management in connection with the Fund and the quantitative limits used together with the current risk yields of the main categories of investment is available from the Manager on request.

16. **Information for prospective Unitholders (including Risk Factors)**

The nature of investments of the units is such that investment in the Fund may not be suitable for investors other than those who are particularly knowledgeable in investment matters, are able to bear the economic risk of investment, understand the high degree of risk involved and believe that the investment is suitable for their particular investment objectives and financial needs. **Before subscribing for shares in the Fund, potential investors should consult with their professional advisers as to whether such shares of a Fund represent a suitable investment opportunity.**

General

The information in this document is based on existing legislation, including taxation legislation, which may be subject to change. Accordingly, investors should satisfy themselves as to the nature of the potential investments and the investment policy and objectives of the Fund invested in.

The Fund's investments are subject to normal stockmarket fluctuations and other risks inherent in investing in securities. Stock market prices can move irrationally and be unpredictably affected by many diverse factors, including not only political and economic events but also rumour and sentiment. Investment in a Fund should be regarded as a long-term investment. There can be no guarantee that any appreciation in the value of investments attributable to a Fund will occur or that the investment objective and policy of that Fund will be achieved.

The value of shares linked to a Fund, and the income distributed or accumulated in respect of such shares, may fall as well as rise and is not guaranteed. Accordingly, investors may, on redeeming units, receive less than they paid for those shares.

The units of the Fund are denominated in Sterling while the assets of a Fund may be in a variety of currencies. Currency fluctuations may therefore adversely affect the Sterling value of the Fund's investments and the income derived from them. Changes in exchange rates may also affect the value of individual investments made by the Fund.

Past performance is not necessarily indicative of likely future performance and the value of an investment may go down as well as up. Potential investors should be aware that the value from investment in a fund and the return from them could fluctuate. In addition,

investors may not recoup the amount originally invested.

Initial charge

The amount of application monies invested in units is net of the Manager's initial charge (if any) referred to above. Accordingly, an investor who realises his units after a short period may not (even in the absence of a fall in the value of the relevant units) realise the amount originally paid in respect of those units in the Fund. Investment in any Fund should, therefore, be regarded as a long-term investment.

Management charges

If the investment objective and policy of a Fund is to treat the generation of income as a higher priority than capital growth, or the generation of income and capital growth have equal priority, all or part of the Fund's annual management charge may be charged against the capital attributable to that Funds instead of against its income. This treatment of the Manager's annual management charge will increase the amount of income available for distribution to unitholders in that Fund, but may constrain capital growth.

Currency exchange rates

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

Political and/or regulatory risks

The value of the Fund's assets may be affected by uncertainties such as changes in government policies, taxation, restrictions on foreign investment and on foreign currency repatriation, currency fluctuation and other developments in the laws and regulations of investee countries.

Economic risk

The entities in which the Fund may invest may be sensitive to any general downturn in the overall economy or in that entity's industrial sector. Although the Fund will attempt, through careful selection of investment candidates, to limit the risk associated with general economic conditions, substantial adverse economic conditions might have an impact on the investment assets of the Fund.

Taxation

The levels and bases of taxation set out above and reliefs from such taxation are subject to change and their value, in certain circumstances, depends on an investor's individual circumstances. Existing and intending unitholders should consult their professional advisers regarding potential tax consequences of the application for or redemption of units.

Derivatives

The Manager may employ more sophisticated derivatives and equities selected by using sophisticated mathematical techniques, futures, options, swaps, forwards and other derivative instruments in the pursuit of the investment objectives of the Fund, as stated in this Prospectus, and in accordance with its risk management policy. This means that the Net Asset Value of the Fund may at times be highly volatile (in the absence of compensating investment techniques). However, it is the Manager's intention that the Fund owing to its portfolio composition, or the portfolio management techniques used, will not have volatility over and above the general market volatility of the markets of its underlying investments. The risk profile of a Fund may be higher than it would otherwise have been as a consequence of the use of derivatives as described above.

The Manager's ability to use such strategies may be limited by market conditions, regulatory limits and tax considerations. Use of derivatives involves certain special risks, including (i) imperfect correlation between movements in the securities or currency on which a futures or options contract is based and movements in the securities or currencies in the Fund; (ii) the absence of a liquid market for any particular instrument at any particular time; (iii) while the Company may not be geared in any way through the use of derivatives, the degree of leverage inherent in futures trading, i.e., the low margin deposits normally required in futures trading, means that futures trading may be highly leveraged; accordingly, a relatively small price movement in a futures contract may result in an immediate and substantial loss to the Fund; and (iv) possible impediments to the ability to meet redemption requests or other short-term obligations because of the percentage of the Fund assets segregated to cover its obligations.

Some derivative instruments are not readily marketable or may become illiquid under adverse market conditions. In addition, during periods of market volatility, a commodity exchange may suspend or limit trading in an exchange-traded derivative instrument which may make the contract temporarily illiquid and difficult to price. Commodity exchanges may also establish daily limits on the amount that the price of a futures contract or an option thereon can vary from the previous day's settlement price. Once the daily limit is exceeded, no trades may be made that day at a price beyond the limit. This may prevent the Fund from closing out positions and limiting its losses.

Derivative transactions are typically undertaken under separate legal arrangements. In the case of OTC derivatives (as further explained below), a standard International Swaps and Derivatives Association ("ISDA") agreement is used to govern the trade between the relevant Fund and the counterparty. The agreement covers situations such as a default of either party and also the delivery and receipt of collateral.

As a result, there is a risk of loss to that Fund where liabilities in those agreements are challenged in a court of law.

The Manager may also employ derivatives with the aim of reducing the risk profile of the Fund, reducing costs or generating additional capital or income, in accordance with EPM.

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

Use of Derivatives for Effective Portfolio Management

The Fund is permitted to use derivatives for the purposes of EPM. Further detail on the use of derivatives and forward transactions is set out in the investment and borrowing powers.

The use of derivatives and forward transactions for the purposes of EPM will not increase the risk profile of a Fund any more than investing in the corresponding underlying physical asset. It does however allow the Fund to manage various risks including the following: default risk, market risk, interest rate or duration risk, currency risk and curve risk.

Default risk is the risk that the issuer fails to pay. Market risk is the risk that general market conditions impact the price of the bond owned by the Fund. Interest rate or duration risk is the risk that the price of a bond is sensitive to a change in its yield. Currency risk is the risk that can arise when bonds are denominated in a currency that is not the base currency of the Fund. Curve risk recognises that the shape of both the credit yield curve and maturity yield curve can change significantly over time.

In addition, the Manager may use certain techniques when investing in derivatives in order to manage a Fund's exposure to particular counterparties and in relation to the use of collateral, to reduce overall exposure to OTC derivatives; for example the Fund's may take collateral from counterparties with whom they have an OTC derivative position and use that collateral to net off against the exposure they have to the counterparty under that OTC derivative position, for the purposes of complying with counterparty spread limits.

The Investment Manager maintains a 'Risk Management Process' in respect of the measurement and monitoring of risks attached to financial derivative instrument positions entered into by the Company. This policy document has been sent to the Trustee and to the FCA and is available upon request. The use of the Risk Management Process does not guarantee that the derivative strategies will work in every instance.

Collateral management

In the event of a counterparty default or operational difficulty, securities that are loaned out may not be returned or returned in a timely manner. Should the borrower of securities fail to return the securities lent by a Fund, there is a risk that the collateral received on such transactions may have a market value lower than that of the securities lent, whether due to inaccurate pricing of the collateral, adverse market movements in the value of the collateral, a deterioration in the credit rating of the issuer of the collateral, or the illiquidity of the market in which the collateral is traded. Delays in the return of securities on loan might restrict the Funds ability to complete the sale of securities or to meet redemption requests. A default by the counterparty combined with a fall in the

market value of the collateral below that of the value of the securities lent, may result in a reduction in the value of a Fund.

Collateral received will be held within a safekeeping account at the Trustee. The Funds will be exposed to the risk of the Trustee not being able to fully meet its obligation to return the collateral when required in the case of bankruptcy of the Depositary.

London Interbank Offered Rate ("LIBOR")

The FCA and Bank of England have phased out the use of LIBOR. Accordingly there is uncertainty regarding the future utilisation of LIBOR and the nature of any replacement rate. As such, the potential effect of a transition away from LIBOR on a Fund or the financial instruments in which a Fund invests cannot yet be determined. The transition process may lead to increased volatility and illiquidity in markets that currently rely on LIBOR to determine interest rates. It could also lead to a reduction in the value of some LIBOR-based investments.

Inflation Risk

Inflation risk is the uncertainty over the future real value (after inflation) of an investment. Inflation rates may change due to shifts in the domestic or global economy, and a portfolio's investments may not keep pace with inflation.

Style Bias

An investment style bias can impact a Fund's performance relative to its benchmark in a positive or negative way. No investment style performs well in all market conditions. When one style is in favour another may be out of favour. Such conditions may persist for short or long periods.

Benchmark Risk

Regulation (EU) 2016/1011 as such regulation forms part of the domestic law of the United Kingdom (the "Benchmark Regulation") applies in respect of the indices used as benchmarks by the Funds. The administrators of the benchmarks are included in the public register maintained by the FCA. The Benchmark Regulation requires the Manager to produce and maintain robust written plans setting out the actions that it would take if an index should materially change or cease to be produced. Actions taken by the Fund pursuant to this plan may result in changes to the investment policy of a Fund, which may have an adverse impact on the value of an investment in a Fund.

Complaints Handling Policy

The Manager has appointed a Complaints Officer to investigate and resolve any complaints which should be addressed to it at PO Box 6051, Basildon, SS15 5TP (Telephone 0330 123 3798), or, if you subsequently wish to take your complaint further, direct to the Financial Ombudsman Service at Exchange Tower, Harbour Exchange Square, London, E14 9SR.

Changes to the Fund

Where any changes are proposed to be made to the Fund the Manager, will assess whether the change is fundamental, significant or notifiable in accordance with the Regulations. If the change is regarded as fundamental, unitholder approval will be required. If the change is regarded as significant, not less than 60 days' prior written notice will be given to unitholders. If the change is regarded as notifiable, unitholders will receive suitable notice of the change.

Summary of the Manager's collateral and haircut policy

The Investment Manager may have to provide, or receive, collateral in entering into certain derivative transactions for and on behalf of the Trust. In doing so, the Investment Manager may apply a haircut to that collateral. A "haircut" is a percentage that is subtracted from the market value of an asset that is being used as collateral.

The Investment Manager will judge, on a case-by-case basis, the extent and type of collateral to use when negotiating with counterparties and clearing houses and the haircut policy which it will apply taking into account criteria including the asset types, maturity, liquidity, valuation, issuer credit quality, correlation and risks linked to the management of collateral and enforceability.

In agreeing this, the Investment Manager will consider, among other things, the requirements of its own internal policies and procedures. Cash, and the types of collateral which are permitted under the European Market Infrastructure Regulation on derivatives, central counterparties and trade repositories (EMIR), will be deemed to be permitted for the purposes of the Company's collateral policy. Furthermore, collateral will be exchanged in compliance with the provisions of EMIR and in particular:

- (i) Any collateral received shall be of sufficiently high liquidity and credit quality to allow the collecting counterparty to liquidate the positions without suffering a loss due to significant changes in value in case the other counterparty defaults.
- (ii) Any non-cash collateral received shall be reasonably diversified in terms of individual issuers, issuer types and asset classes.
- (iii) Securities issued by the poster of the collateral or its related entities shall not be accepted as collateral.
- (iv) The collateral collected by a counterparty shall reflect the results of the daily marking-to-market or marking-to-model of outstanding contracts and shall generally be exchanged no later than the end of the business day following the date of execution.
- (v) The Investment Manager will have the operational capability to liquidate the collateral collected in the case of a default of the poster of collateral and will also be able to use the cash proceeds of liquidation to enter into an equivalent contract with another counterparty or to hedge the resulting risk.

Eligible collateral types (for derivative trading) are approved by the Investment Manager, and are set out in the respective ISDA Credit Support Annexes. Generally, eligible collateral consists of UK gilts, US Treasuries and Negotiable Debt Obligations of a range of Eurozone countries, generally subject to a minimum rating of BBB- by S&P or Aa3 by Moody's. Collateral is subject to a haircut on a sliding scale based on the residual maturity of the underlying instrument.

Valuations are carried out daily and a margin is applied to collateral transactions.

The collateral and the assets underlying total return swap transactions (and that remain assets of the Fund) will be held within a safekeeping account or record kept at the Custodian.

Telephone Recordings

The Manager 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 the Manager can identify the call as coming from the relevant investor. If the Manager is asked to provide a recording of a particular call, the Manager may ask for further information to help it identify the exact call to which the request relates.

Complaints

The Manager has appointed a Complaints Officer to investigate and resolve any complaints which should be addressed to it at PO Box 9040, Chelmsford, Essex CM99 2XH (Telephone 0330 123 3798).

In the event that an unsatisfactory response is provided, you can refer your complaint to the Financial Ombudsman Service at Financial Ombudsman Service, Exchange Tower, Harbour Exchange Square, London, E14 9SR. Making a complaint will not prejudice your rights to commence legal proceedings.

Further information regarding any compensation scheme or any other investor-compensation scheme of which the Manager is a member (including, if relevant, membership through a branch) or any alternative arrangement provided, are also available on request. A copy of the Manager's guide to making a complaint is also available upon request.

Risk Management

A statement on the methods used for risk management in connection with the Trust and the quantitative limits used together with the current risk yields of the main categories of investment is available from the Manager on request.

Unclaimed money or assets

In accordance with the client assets rules in the FCA 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 may pay away such monies or the liquidated proceeds of the assets to a registered charity of its choice. The ACD will be able to do this only in accordance with general law, the FCA Handbook, and where it has taken reasonable steps to trace the Shareholder and return the money or assets.

In accordance with the client money rules in the FCA Handbook, if client money is unclaimed for a period of six years and is equal to or below the applicable 'de minimis level' (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 to charity but it will still attempt to contact Shareholders at least once before doing so.

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

Strategy for the exercise of voting rights

The Manager has a strategy for determining when and how voting rights attached to ownership of the Scheme Property are to be exercised for the benefit of the Trust. A summary of this strategy is available from the Manager on request or on the Manager's website at www.columbiathreadneedle.com. Voting records and further details of the actions taken on the basis of this strategy in relation to the Trust are available free of charge from the Manager on request.

Best Execution

The Manager must act in the best interests of each Fund when executing decisions to deal on behalf of the Trust. The Manager's order execution policy sets out (i) the systems and controls that have been put in place and (ii) the factors which the Manager expects to consider when effecting transactions and placing orders in relation to the Trust. This policy has been developed in accordance with the Manager's obligations under the Regulations to obtain the best possible result for the Trust.

Details of the order execution policy are available on the Manager's website at www.columbiathreadneedle.com. If you have any questions regarding the policy please contact the Manager or your professional adviser.

Inducements

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 Manager or Manager (as relevant) 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 Manager or Manager 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.

However, the Investment Manager or Manager may accept without disclosure minor non-monetary benefits that are capable of enhancing the quality of service provided to the 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.

APPENDIX 1

ELIGIBLE MARKETS

Eligible markets for the Funds are regulated markets and markets established in the UK or EEA States which are regulated, operate regularly and are open to the public.

Plus

Any UK FCA Designated Investment Exchanges and any of the following markets are eligible markets (securities and/or derivatives):

Austria	-	Vienna Stock Exchange
Belgium	-	Euronext Brussels
Czech Republic	-	Prague Stock Exchange
Denmark	-	Kobenhavens Fondbors (including FUTOP) (Copenhagen Stock Exchange)
Finland	-	Finnish Options Market
France	-	Euronext Paris
	-	Paris Stock Exchange
Germany	-	EUREX & Derivatives Exchange Ltd
	-	
Holland	-	Euronext Amsterdam
	-	
Hungary	-	Budapest Stock Exchange
Ireland	-	Irish Stock Exchange
Italy	-	Italian Futures Market
Japan	-	Osaka Securities Exchange
Poland	-	Warsaw Stock Exchange
Singapore	-	Singapore Exchange
Spain	-	MEFF Renta Fija
	-	MEFF Renta Variable
Sweden	-	
	-	European Options Exchange
	-	Stockholmsborsen
Switzerland	-	SWX Swiss Exchange
	-	
	-	EUREX
Taiwan	-	Taiwan Stock Exchange (TSEC)
	-	Taipei Exchange
Turkey	-	Istanbul Stock Exchange
United Kingdom	-	"When Issued Trading"
	-	EuonextLIFFE
	-	The Alternative Investment Market (AIM)
	-	Virt-X
	-	OMLX
United States of America		Any securities exchange registered as a national stock exchange, NASDAQ and OTC markets regulated by NASD (National Association of Securities Dealers.)
Others	-	European Options Market

American Stock Exchange
Australian Stock Exchange
Bolsa Mexicana de Valores
Bourse de Montreal Inc
Channel Islands Stock Exchange

Chicago Board of Trade
Chicago Board Options Exchange
Chicago Stock Exchange
Coffee, Sugar and Cocoa Exchange, Inc
Euronext Amsterdam Commodities Market
Hong Kong Exchanges and Clearing Limited
International Capital Market Association
Johannesburg Stock Exchange
Kansas City Board of Trade
Korea Stock Exchange
MidAmerica Commodity Exchange
Minneapolis Grain Exchange
New York Cotton Exchange
New York Futures Exchange
New York Stock Exchange
New Zealand Stock Exchange
Osaka Securities Exchange
Pacific Exchange
Philadelphia Stock Exchange
Singapore Exchange
South African Futures Exchange
Tokyo International Financial Futures Exchange
Tokyo Stock Exchange
Toronto Stock Exchange

DERIVATIVE USAGE

In order to assist counterparties assess the credit risk associated with CT open-ended portfolios Columbia Threadneedle Fund Management Limited has compiled a list of the types of derivative contracts available for use by its funds. The list is published in the prospectuses of its open-ended funds however it is subject to amendment and the most recent copy is available on request from Columbia Threadneedle Fund Management Limited.

The list applies to all funds according to the classification noted and the use, if any, of such contracts will be subject to the investment objective and policy of the fund concerned and the regulations.

Investors should note that funds included in this prospectus are classified as Alternative Investment Fund(s). The list may be amended without notice and the inclusion of a contract as available to a type of fund does not mean that any particular fund will or should use that instrument.

	Equity Funds	Fixed Income Funds	Alternative Investment Funds
Bond Futures (ETD)		x	x
Equity Futures (ETD)	x		x
Commodity Futures			
(ETD) Interest Rate Options			
(ETD)		x	x
Index Options (ETD)	x		x
Equity Options (ETD)	x		x
Commodity Futures			
(ETD)			x
Options (OTC)	x	x	x
Warrants (deltal)	x		x
Warrants		x	x
Interest Rate Swaps		x	x
Inflation Linked Swaps		x	x
Credit Default Swaps		x	x
Equity Swaps Collateral Debt	x		x
Obligations		x	x
Credit Linked Notes		x	x
Contract for Difference	x		x

Swaptions		x	x
Interest Rate Collars		x	x
Interest Rate Caps		x	x
Interest Rate Floors		x	x
Floortions		x	x
Captions		x	x
Total Return Swaps	x	x	x
REPOS		x	x
Reverse REPOS		x	x
Exchange Traded Funds	x	x	x
FRAs		x	x
Currency Options			x
Currency Futures		x	x
Currency Swaps		x	x
Forward FX	x	x	x
Dividend Swaps Options on Dividend			x
Swaps Options on Correlation			x
Swaps			x
Correlation Swaps Options on Variance			x

APPENDIX 2

PART I: VALUATION AND PRICING

The value of the property of the Fund shall be the value of its assets less the value of its liabilities determined in accordance with the following provisions.

1. All the property of the Fund (including receivables) is to be included, subject to the following provisions.
2. The valuation of the property of the Fund shall consist of two parts, one on an issue basis and one on a cancellation basis calculated in accordance with the following provisions.
 - 2.1 The valuation of property for that part of the valuation which is on an issue basis is as follows:
 - 2.1.1 Property which is not cash (or other assets dealt with in paragraphs 3 and 4 below) shall be valued as follows and the prices used shall (subject as follows) be the most recent prices which it is practicable to obtain:
 - 2.1.1.1 units or shares in a collective investment scheme:
 - (a) if a single price for buying and selling units or shares is quoted, at that price (plus any fiscal charges, commission or other charges payable in the event of the Fund carrying out the transaction in question, assuming that the commission and charges (other than fiscal charges) which would be payable by the Fund are the least that could reasonably be expected to be paid in order to carry out the transaction and including any dilution levy which would be added in the event of a purchase by the Fund of the units in question (except that, where the Manager, or an associate of the Manager, is also the manager or authorised corporate director of the collective investment scheme whose units are held by the Fund, dealing costs must not include a preliminary charge which would be payable in the event of a purchase by the Fund of those units) but excluding any preliminary charge on sale of units in a collective investment scheme));

or
 - (b) if separate buying and selling prices are quoted, the most recent maximum sale price, less any expected discount (plus any fiscal charges, commission or other charges payable in the event of the Fund carrying out the transaction in question, assuming that the commission and charges (other than fiscal charges) which would be payable by the Fund are the least that could reasonably be expected to be paid in order to carry out the transaction but excluding any preliminary charge on sale of units in a collective investment scheme); but where the Manager, or an associate of the Manager, is also the manager or authorised corporate director of the collective investment scheme whose units are held by the Fund, the issue price shall be taken instead of the maximum sale price; or
 - (c) if, in the opinion of the Manager, the price obtained is unreliable or no recent traded price is available or if no recent price exists, at a buyer's price which, in the opinion of the Manager, is fair and reasonable;

2.1.1.2 any other investment:

- (a) the best available market dealing offer price on the most appropriate market in a standard size (plus any fiscal charges, commission or other charges payable in the event of the Fund carrying out the transaction in question, assuming that the commission and charges (other than fiscal charges) which would be payable by the Fund are the least that could reasonably be expected to be paid in order to carry out the transaction); or
- (b) if, in the opinion of the Manager, the price obtained is unreliable or no recent traded price is available or if no recent price exists, at a buyer's price which, in the opinion of the Manager, is fair and reasonable.

2.1.1.3 if any other property, or no price exists under 2.1.1.1 or 2.1.1.2, the Manager's reasonable estimate of a buyer's price (plus any fiscal charges, commission or other charges payable in the event of the Fund carrying out the transaction in question, assuming that the commission and charges (other than fiscal charges) which would be payable by the Fund are the least that could reasonably be expected to be paid in order to carry out the transaction but excluding any preliminary charge on sale of units in a collective investment scheme). The buyer's price is the consideration which would be paid by the buyer for an immediate transfer or assignment (or, in Scotland, assignation) to him at arm's length.

2.2 The valuation of property for that part of the valuation which is on a cancellation basis is as follows:

2.2.1 Property which is not cash (or other assets dealt with in paragraphs 3 and 4 below) shall be valued as follows and the prices used shall (subject as follows) be the most recent prices which it is practicable to obtain:

2.2.1.1 units or shares in a collective investment scheme:

- (a) if a single price for buying and selling units or shares is quoted, at that price (less any fiscal charges, commission or other charges payable in the event of the Fund carrying out the transaction in question, assuming that the commission and charges (other than fiscal charges) which would be payable by the Fund are the least that could reasonably be expected to be paid in order to carry out the transaction, any redemption charge payable on sale of units in a collective investment scheme, (taking account of any expected discount, any dilution levy which would be deducted in the event of a sale by the Fund of the units in question (except that, where the Manager, or an associate of the Manager, is also the manager or authorised corporate director of the collective investment scheme whose units are held by the Fund, dealing costs must not include a redemption charge which would be payable in the event of a sale by the Fund of those units)); or
- (b) if separate buying and selling prices are quoted, the most recent minimum redemption price (less any fiscal charges, commission or other charges payable in the event of the Fund carrying out the transaction in question, assuming that the commission and charges (other than fiscal charges) which would be payable by the Fund are the least that could reasonably be

expected to be paid in order to carry out the transaction and any charge payable on the sale of units in a collective investment scheme (except that, where the Manager, or an associate of the Manager, is also the manager or authorised corporate director of the collective investment scheme whose units are held by the Fund, dealing costs must not include a redemption charge which would be payable in the event of a sale by the Fund of those units), less any expected discount); but, if the property sold in one transaction would amount to a large deal (as defined in the glossary to the FCA Handbook of Rules and Guidance), the cancellation price shall be taken instead of the minimum redemption price; or

- (c) if, in the opinion of the Manager, the price obtained is unreliable or no recent traded price is available or if no recent price exists, at a seller's price which, in the opinion of the Manager, is fair and reasonable;

2.2.1.2 any other investment:

- (a) the best available market dealing bid price on the most appropriate market in a standard size (less any fiscal charges, commission or other charges payable in the event of the Fund carrying out the transaction in question, assuming that the commission and charges (other than fiscal charges) which would be payable by the Fund are the least that could reasonably be expected to be paid in order to carry out the transaction); or
- (b) if, in the opinion of the Manager, the price obtained is unreliable or no recent traded price is available or if no recent price exists, at a seller's price which, in the opinion of the Manager, is fair and reasonable;

2.2.1.3 if any other property, or no price exists under 2.2.1.1 or 2.2.1.2, the Manager's reasonable estimate of a seller's price (less any fiscal charges, commission or other charges payable in the event of the Fund carrying out the transaction in question, assuming that the commission and charges (other than fiscal charges) which would be payable by the Fund are the least that could reasonably be expected to be paid in order to carry out the transaction but excluding any redemption charge payable on sale of units in a collective investment scheme, (taking account of any expected discount, any dilution levy which would be deducted in the event of a sale by the Fund of the units in question) (except that, where the Manager, or an associate of the Manager, is also the manager or authorised corporate director of the collective investment scheme whose units are held by the Fund, dealing costs must not include a redemption charge which would be payable in the event of a sale by the Fund of those units).

3. Property which is a derivative transaction shall be treated as follows:

- (a) if a written option, (and the premium for writing the option has become part of the property of the Fund) deduct, for the calculation of the issue basis, the amount of the net valuation of premium (estimated on the basis of writing an option of the same series on the best terms then available on the most appropriate market on which such options are traded, but add, in the case of the calculation of the

cancellation basis, dealing costs); but if it is an OTC derivative, the valuation methods in COLL 5.2.23R shall be used; or

- (b) if an off-exchange future, include at the net value of closing out (in the case of the calculation of the issue basis, estimated on the basis of the amount of profit or loss receivable or incurable by the Fund on closing out the contract and deducting minimum dealing costs in the case of profit and adding them in the case of loss; but if it is an OTC derivative, the valuation methods in COLL 5.2.23R shall be used); or
 - (c) if any other form of derivative transaction, include at the net value of margin on closing out (estimated on the basis of the amount of margin (whether receivable or payable by the Fund on closing out the contract) on the best terms then available on the most appropriate market on which such contracts are traded and including minimum dealing costs so that the value is the figure as a negative sum); but if it is an OTC derivative, the valuation methods in COLL 5.2.23R shall be used.
4. Cash and amounts held in current and deposit accounts shall be valued at their nominal values.
 5. In determining the value of the scheme property, all instructions given to the Trustee to issue or cancel units shall be assumed (unless the contrary is shown) to have been carried out and any cash paid or received and all required consequential action required by the Regulations or the Trust Deed shall be assumed (unless the contrary is shown) to have been taken.
 6. Subject to paragraphs 7 and 8 below, agreements for the unconditional sale or purchase of property which are in existence but uncompleted shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and, in the opinion of the Manager, their omission shall not materially affect the final net asset amount.
 7. Futures or contracts for differences which are not yet due to be performed and unexpired written or purchased options which have not been exercised shall not be included under paragraph 6.
 8. All agreements are to be included under paragraph 6 which are, or ought reasonably to have been, known to the person valuing the property assuming that all other persons in the Manager's employment take all reasonable steps to inform it immediately of the making of any agreement.
 9. Deduct an estimated amount for anticipated tax liabilities (on unrealised capital gains where the liabilities have accrued and are payable out of the property of the Fund; on realised capital gains in respect of previously completed and current accounting periods; and on income where liabilities have accrued) including (as applicable and without limitation) capital gains tax, income tax, corporation tax, value added tax, stamp duty and stamp duty reserve tax.
 10. Deduct an estimated amount for any liabilities payable out of the property of the Fund and any tax thereon (treating periodic items as accruing from day to day).
 11. Deduct the principal amount of any outstanding borrowings whenever payable and any accrued but unpaid interest on borrowings.
 12. In the case of a margined contract, deduct any amount reasonably anticipated to be paid by way of variation margin.
 13. Add an estimated amount for accrued claims for tax of whatever nature which may be recoverable.
 14. Add any other credits due to be paid into the property of the Fund.

15. In the case of a margined contract, add any amount reasonably anticipated to be received by way of variation margin.
16. Add a sum representing any interest or any income accrued due or deemed to have accrued but not received and any stamp duty reserve tax provision anticipated to be received.
17. The valuation is in the Fund's base currency. To convert to the base currency the value of property which would otherwise be valued in another currency the Manager will either:
 - 17.1 select a rate of exchange which represents the average of the highest and lowest rates quoted at the relevant time for conversion of that currency into base currency on the market on which the manager would normally deal if it wished to make such a conversion; or
 - 17.2 invite the Trustee to agree that it is in the interests of unitholders to select a different rate, and, if the Trustee so agrees, use that other rate."

PART II : INVESTMENT AND BORROWING POWERS OF THE TRUST

18. The investment powers of the Fund are determined by its Trust Deed but subject to the limits set out in Chapter 5 of the COLL Sourcebook ("COLL 5") and this Prospectus. These limits apply to the Fund as summarised below: -

18.1 Prudent spread of risk

- 18.1.1 The Manager must ensure that, taking account of the investment objectives and policy of the Fund, the scheme property aims to provide a prudent spread of risk.

18.2 Cover

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

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

- 18.2.2.1 it must be assumed that in applying any of those rules, the Fund must also simultaneously satisfy any other obligation relating to cover; and

- 18.2.2.2 no element of cover must be used more than once.

18.3 UCITS schemes - general

- 18.3.1 Subject to the investment objective and policy of the Fund, the scheme property must, except where otherwise provided in COLL 5, only consist of any or all of:

- 18.3.1.1 transferable securities;

- 18.3.1.2 approved money-market instruments;

- 18.3.1.3 permitted derivatives and forward transactions;

- 18.3.1.4 permitted deposits; and

- 18.3.1.5 permitted units in collective investments schemes.

18.4 Transferable Securities

- 18.4.1 A transferable security is an investment falling within article 76 (Shares etc), article 77 (Instruments creating or acknowledging indebtedness), article 78 (Government and public securities), article 79 (Instruments giving entitlement to investments) and article 80 (Certificates representing certain securities) of the Regulated Activities Order.

- 18.4.2 An investment is not a transferable security if the title to it cannot be transferred, or can be transferred only with the consent of a third party.

- 18.4.3 In applying paragraph 1.4.2 to an investment which is issued by a body corporate, and which is an investment falling within articles 76 (Shares, etc) or 77 (Instruments creating or acknowledging indebtedness) of the Regulated

Activities Order, the need for any consent on the part of the body corporate or any members or debenture holders of it may be ignored.

18.4.4 An investment is not a transferable security unless the liability of the holder of it to contribute to the debts of the issuer is limited to any amount for the time being unpaid by the holder of it in respect of the investment.

18.4.5 The Fund may invest in a transferable security only to the extent that the transferable security fulfils the following criteria:

18.4.5.1 the potential loss which the Fund may incur with respect to holding the transferable security is limited to the amount paid for it;

18.4.5.2 its liquidity does not compromise the ability of the Manager to comply with its obligation to redeem units at the request of any qualifying Shareholder under the Regulations;

18.4.5.3 reliable valuation is available for it as follows:

18.4.5.3.1 in the case of a transferable security admitted to or dealt in on an eligible market, where there are accurate, reliable and regular prices which are either market prices or prices made available by valuation systems independent from issuers;

18.4.5.3.2 in the case of a transferable security not admitted to or dealt in on an eligible market, where there is a valuation on a periodic basis which is derived from information from the issuer of the transferable security or from competent investment research;

18.4.5.4 appropriate information is available for it as follows:

18.4.5.4.1 in the case of a transferable security admitted to or dealt in on an eligible market, where there is regular, accurate and comprehensive information available to the market on the transferable security or, where relevant, on the portfolio of the transferable security;

18.4.5.4.2 in the case of a transferable security not admitted to or dealt in on an eligible market, where there is regular and accurate information available to the Manager on the transferable security or, where relevant, on the portfolio of the transferable security;

18.4.5.5 it is negotiable; and

18.4.5.6 its risks are adequately captured by the risk management process of the Manager of the Fund.

18.4.6 Unless there is information available to the Manager that would lead to a different determination, a transferable security which is admitted to or dealt in on an eligible market shall be presumed:

18.4.6.1.1 not to compromise the ability of the Manager to comply with its obligation to redeem units at the request of any qualifying Shareholder; and

18.4.6.1.2 to be negotiable.

18.4.7 No more than 5% of the scheme property may be invested in warrants.

18.5 **Closed end funds constituting transferable securities**

18.5.1 A unit in a closed end fund shall be taken to be a transferable security for the purposes of investment by the Manager of the Fund, provided it fulfils the criteria for transferable securities set out in 1.4 and either:

18.5.1.1 where the closed end fund is constituted as an investment company or a unit trust:

18.5.1.1.1 it is subject to corporate governance mechanisms applied to companies; and

18.5.1.1.2 where another person carries out asset management activity on its behalf, that person is subject to national regulation for the purpose of investor protection; or

18.5.1.2 where the closed end fund is constituted under the law of contract:

18.5.1.2.1 it is subject to corporate governance mechanisms equivalent to those applied to companies; and

18.5.1.2.2 it is managed by a person who is subject to national regulation for the purpose of investor protection.

18.6 **Transferable securities linked to other assets**

18.6.1 The Manager of the Fund may invest in any other investment which shall be taken to be a transferable security for the purposes of investment by the Fund provided the investment:

18.6.1.1 fulfils the criteria for transferable securities set out above; and

18.6.1.2 is backed by or linked to the performance of other assets, which may differ from those in which the Fund can invest.

18.6.2 Where an investment in 1.6.1 contains an embedded derivative component, the requirements of this section with respect to derivatives and forwards will apply to that component.

18.7 **Approved Money-Market Instruments**

18.7.1 An approved money-market instrument is a money-market instrument which is normally dealt in on the money market, is liquid and has a value which can be accurately determined at any time.

18.7.2 A money-market instrument shall be regarded as normally dealt in on the money market if it:

18.7.2.1 has a maturity at issuance of up to and including 397 days;

18.7.2.2 has a residual maturity of up to and including 397 days;

18.7.2.3 undergoes regular yield adjustments in line with money market conditions at least every 397 days; or

18.7.2.4 has a risk profile, including credit and interest rate risks, corresponding to that of an instrument which has a maturity as set out in 1.7.2.1 or 1.7.2.2 or is subject to yield adjustments as set out in 1.7.2.3.

- 18.7.3 A money-market instrument shall be regarded as liquid if it can be sold at limited cost in an adequately short time frame, taking into account the obligation of the Manager to redeem units at the request of any qualifying unitholder.
- 18.7.4 A money-market instrument shall be regarded as having a value which can be accurately determined at any time if accurate and reliable valuations systems, which fulfil the following criteria, are available:
 - 18.7.4.1 enabling the Manager to calculate a net asset value in accordance with the value at which the instrument held in the portfolio could be exchanged between knowledgeable willing parties in an arm's length transaction; and
 - 18.7.4.2 based either on market data or on valuation models including systems based on amortised costs.
- 18.7.5 A money-market instrument that is normally dealt in on the money market and is admitted to or dealt in on an eligible market shall be presumed to be liquid and have a value which can be accurately determined at any time unless there is information available to the Manager that would lead to a different determination.
- 18.8 **Transferable securities and money-market instruments generally to be admitted or dealt in on an Eligible Market**
 - 18.8.1 Transferable securities and approved money-market instruments held within the Fund must be:
 - 18.8.1.1 admitted to or dealt on an eligible market (as described in 1.8.3.1 or 1.8.3.2); or
 - 18.8.1.2 dealt on an eligible market (as described in 1.9.4); or
 - 18.8.1.3 for an approved money-market instrument not admitted to or dealt in on an eligible market, within 1.10.1; or
 - 18.8.1.4 recently issued transferable securities provided that:
 - 18.8.1.4.1 the terms of issue include an undertaking that application will be made to be admitted to an eligible market; and
 - 18.8.1.4.2 such admission is secured within a year of issue.
 - 18.8.2 However, the Fund may invest no more than 10% of the scheme property in transferable securities and approved money-market instruments other than those referred to in 1.8.1
- 18.9 **Eligible markets regime: purpose**
 - 18.9.1 To protect investors the markets on which investments of the Fund are dealt in or traded on should be of an adequate quality ("eligible") at the time of acquisition of the investment and until it is sold.
 - 18.9.2 Where a market ceases to be eligible, investments on that market cease to be approved securities. The 10% restriction in 1.7 above on investing in non approved securities applies and exceeding this limit because a market ceases to be eligible will generally be regarded as an inadvertent breach.
 - 18.9.3 A market is eligible for the purposes of the rules if it is:
 - 18.9.3.1 a regulated market as defined in the FCA Regulations; or

- 18.9.3.2 a market in the United Kingdom or an EEA State which is regulated, operates regularly and is open to the public.
- 18.9.4 A market not falling within paragraph 1.9.3 above is eligible for the purposes of COLL 5 if:
 - 18.9.4.1 the Manager, after consultation and notification with the Trustee, decides that market is appropriate for investment of, or dealing in, the scheme property;
 - 18.9.4.2 the market is included in a list in the Prospectus; and
 - 18.9.4.3 the Trustee has taken reasonable care to determine that:
 - 18.9.4.3.1 adequate custody arrangements can be provided for the investment dealt in on that market; and
 - 18.9.4.3.2 all reasonable steps have been taken by the Manager in deciding whether that market is eligible.
- 18.9.5 In paragraph 1.9.4 a market must not be considered appropriate unless it is regulated, operates regularly, is recognised by an overseas regulator, is open to the public, is adequately liquid and has adequate arrangements for unimpeded transmission of income and capital to or to the order of investors. The eligible securities and derivatives markets for the Fund are set out in Appendix 1.
- 18.10 **Money-market instruments with a regulated issuer**
 - 18.10.1 In addition to instruments admitted to or dealt in on an eligible market, the Fund may invest in an approved money-market instrument provided it fulfils the following requirements:
 - 18.10.1.1 the issue or the issuer is regulated for the purpose of protecting investors and savings; and
 - 18.10.1.2 the instrument is issued or guaranteed in accordance with paragraph 1.11 below.
 - 18.10.2 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:
 - 18.10.2.1 the instrument is an approved money-market instrument;
 - 18.10.2.2 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 paragraph 1.13 below; and
 - 18.10.2.3 the instrument is freely transferable.
- 18.11 **Issuers and guarantors of money-market instruments**
 - 18.11.1 The Fund may invest in an approved money-market instrument if it is:
 - 18.11.1.1 issued or guaranteed by any one of the following:
 - 18.11.1.1.1 a central authority of the United Kingdom or an EEA State or, if the EEA State is a federal state, one of the members making up the federation;

- 18.11.1.1.2 a regional or local authority of the United Kingdom or an EEA State;
- 18.11.1.1.3 the Bank of England, the European Central Bank or a central bank of an EEA State;
- 18.11.1.1.4 the European Union or the European Investment Bank;
- 18.11.1.1.5 a non-EEA State or, in the case of a federal state, one of the members making up the federation;
- 18.11.1.1.6 a public international body to which the United Kingdom or one or more EEA States belong; or
- 18.11.1.2 issued by a body, any securities of which are dealt in on an eligible market; or
- 18.11.1.3 issued or guaranteed by an establishment which is:
 - 18.11.1.3.1 subject to prudential supervision in accordance with criteria defined by UK or EU law; or
 - 18.11.1.3.2 subject to and complies with prudential rules considered by the FCA to be at least as stringent as those laid down by UK or EU law.
- 18.11.2 An establishment shall be considered to satisfy the requirement in 1.11.1.3.2 if it is subject to and complies with prudential rules, and fulfils one or more of the following criteria:
 - 18.11.2.1 it is located in the European Economic Area;
 - 18.11.2.2 it is located in an OECD country belonging to the Group of Ten;
 - 18.11.2.3 it has at least investment grade rating;
 - 18.11.2.4 on the basis of an in-depth analysis of the issuer, it can be demonstrated that the prudential rules applicable to that issuer are at least as stringent as those laid down by UK or EU law.

18.12 **Appropriate information for money-market instruments**

- 18.12.1 In the case of an approved money-market instrument within 1.11.1.2 or issued by a body of the type referred to in COLL 5.2.10EG, or which is issued by an authority within 1.11.1.1.2 or a public international body within 1.11.1.1.6 but is not guaranteed by a central authority within 1.11.1.1.1, the following information must be available:
 - 18.12.1.1 information on both the issue or the issuance programme, and the legal and financial situation of the issuer prior to the issue of the instrument, verified by appropriately qualified third parties not subject to instructions from the issuer;
 - 18.12.1.2 updates of that information on a regular basis and whenever a significant event occurs; and
 - 18.12.1.3 available and reliable statistics on the issue or the issuance programme.
- 18.12.2 In the case of an approved money-market instrument issued or guaranteed by an establishment within 1.11.1.3, the following information must be available:

- 18.12.2.1 information on the issue or the issuance programme or on the legal and financial situation of the issuer prior to the issue of the instrument;
 - 18.12.2.2 updates of that information on a regular basis and whenever a significant event occurs; and
 - 18.12.2.3 available and reliable statistics on the issue or the issuance programme, or other data enabling an appropriate assessment of the credit risks related to investment in those instruments.
- 18.12.3 In the case of an approved money-market instrument:
- 18.12.3.1 within 1.11.1.1.1, 1.11.1.1.4 and 1.11.1.1.5; or
 - 18.12.3.2 which is issued by an authority within 1.11.1.1.2 or a public international body within 1.11.1.1.6 and is guaranteed by a central authority within 1.11.1.1.1;
- information must be available on the issue or the issuance programme, or on the legal and financial situation of the issuer prior to the issue of the instrument.

18.13 **Spread: general**

- 18.13.1 This rule on spread does not apply to government and public securities.
- 18.13.2 For the purposes of this requirement companies included in the same group for the purposes of consolidated accounts as defined in accordance with section 399 of Companies Act 2006, Directive 2013/34/EU or in the same group in accordance with international accounting standards are regarded as a single body.
- 18.13.3 Not more than 20% in the value of the scheme property is to consist of deposits with a single body.
- 18.13.4 Not more than 5% in value of the scheme property is to consist of transferable securities or approved money -market instruments issued by any single body, except that the limit of 5% is raised to 10% in respect of up to 40% in value of the scheme property (covered bonds need not be taken into account for the purposes of applying the limit of 40%). For these purposes certificates representing certain securities are treated as equivalent to the underlying security.
- 18.13.5 The limit of 5% is raised to 25% in value of the scheme property in respect of covered bonds provided that when the Fund invests more than 5% in covered bonds issued by a single body, the total value of covered bonds held must not exceed 80% in value of the scheme property.
- 18.13.6 The exposure to any one counterparty in an OTC derivative transaction must not exceed 5% in value of the scheme property. This limit is raised to 10% where the counterparty is an Approved Bank.
- 18.13.7 Not more than 20% in value of the scheme property is to consist of transferable securities and approved money -market instruments issued by the same group.
- 18.13.8 Not more than 10% in value of the scheme property is to consist of the units of any one collective investment scheme.
- 18.13.9 In applying the limits in 1.13.3, to 1.13.4 and 1.13.6 and subject to 1.13.5, not more than 20% in value of the scheme property is to consist of any combination of two or more of the following:

- 18.13.9.1 transferable securities (including covered bonds) or approved money -market instruments issued by; or
- 18.13.9.2 deposits made with; or
- 18.13.9.3 exposures from OTC derivatives transactions made with a single body.

18.14 **Counterparty risk and issuer concentration**

- 18.14.1 The Manager must ensure that counterparty risk arising from an OTC derivative is subject to the limits set out in paragraphs 1.13.6 and 1.13.9 above.
- 18.14.2 When calculating the exposure of a Fund to a counterparty in accordance with the limits in paragraph 1.13.6 the Manager must use the positive mark-to-market value of the OTC derivative contract with that counterparty.
- 18.14.3 The Manager may net the OTC derivative positions of a Fund with the same counterparty, provided they are able legally to enforce netting agreements with the counterparty on behalf of the Fund.
- 18.14.4 The netting agreements in paragraph 18.14.3 above are permissible only with respect to OTC derivatives with the same counterparty and not in relation to any other exposures the Fund may have with that same counterparty.
- 18.14.5 The Manager may reduce the exposure of scheme property to a counterparty of an OTC derivative through the receipt of collateral. Collateral received must be sufficiently liquid so that it can be sold quickly at a price that is close to its pre-sale valuation.
- 18.14.6 The Manager must take collateral into account in calculating exposure to counterparty risk in accordance with the limits in paragraph 1.13.6 when it passes collateral to an OTC counterparty on behalf of a Fund.
- 18.14.7 Collateral passed in accordance with paragraph 18.14.6 may be taken into account on a net basis only if the Manager is able legally to enforce netting arrangements with this counterparty on behalf of that Fund.
- 18.14.8 In relation to the exposure arising from OTC derivatives as referred to in paragraph 1.13.6 the Manager must include any exposure to OTC derivative counterparty risk in the calculation.
- 18.14.9 The Manager must calculate the issuer concentration limits referred to in paragraph 6.6 on the basis of the underlying exposure created through the use of OTC derivatives pursuant to the commitment approach.

18.15 **Spread: government and public securities**

- 18.15.1 The following section applies in respect of a transferable security or an approved money-market instrument ("such securities") that is issued or guaranteed by:
 - 18.15.1.1 the United Kingdom or an EEA State; or
 - 18.15.1.2 a local authority of the United Kingdom or an EEA State; or
 - 18.15.1.3 a non-EEA State; or
 - 18.15.1.4 a public international body to which the United Kingdom or one or more EEA States belong.

- 18.15.2 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.
- 18.15.3 The Manager may invest more than 35% in value of the scheme property in such securities issued by any one body provided that:
 - 18.15.3.1 the Manager has before any such investment is made consulted with the Trustee 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;
 - 18.15.3.2 no more than 30% in value of the scheme property consists of such securities of any one issue;
 - 18.15.3.3 the scheme property includes such securities issued by that or another issuer, of at least six different issues;
 - 18.15.3.4 the disclosures required by the FCA have been made.
- 18.15.4 Notwithstanding paragraph 1.15.1 and subject to 1.15.2 and 1.15.3, in applying the 20% limit in paragraph 1.13.9 with respect to a single body, government and public securities issued by that body shall be taken into account.

18.16 **Investment in collective investment schemes**

- 18.16.1 The Fund may invest in units or other collective investment schemes ("Second Scheme") provided the Second Scheme satisfies all of the following conditions and provided that no more than 30% of the value of the Fund is invested in Second Schemes within 1.16.1.1-4 below.
 - 18.16.1.1 The Second Scheme must:
 - 18.16.1.1.1 be a UCTIS scheme or satisfy the conditions necessary for it to enjoy the rights conferred by the UCITS Directive as implemented in the EEA; or
 - 18.16.1.1.2 be a recognised scheme that is authorised by the supervisory authorities of Guernsey, Jersey or the Isle of Man (provided the requirements of COLL 5.2.13AR are met); or
 - 18.16.1.1.3 be authorised as a non-UCITS retail Scheme (provided the requirements of COLL 5.2.12AR(1), (3) and (4) are met); or
 - 18.16.1.1.4 be authorised in an EEA State provided the requirements of COLL 5.2.13AR are met.
 - 18.16.1.2 The Second Scheme has terms which prohibit more than 10% in value of the scheme property consisting of units in collective investment schemes.
 - 18.16.1.3 Investment may only be made in other collective investment schemes managed by the Manager or an associate of the Manager if the Fund's Prospectus clearly states that it may enter into such investments and the rules on double charging contained in the COLL Sourcebook are complied with.
 - 18.16.1.4 The Fund may invest in collective investment schemes managed or operated by, or whose authorised corporate director is, the Manager of the Fund or one of its associates.

18.17 Investment in nil and partly paid securities

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

18.18 Derivatives: general

- 18.18.1 (A transaction in derivatives or a forward transaction must not be effected for the Fund unless the transaction is of a kind specified in paragraph 1.19 (Permitted transactions (derivatives and forwards)) below, and the transaction is covered, as required by paragraph 1.30 (Cover for investment in derivatives and forward transactions)).
- 18.18.2 Where the 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 5.2.11 R Spread: general, COLL 5.2.12 R Spread: government and public securities) except for index based derivatives where the rules below apply.
- 18.18.3 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.
- 18.18.4 A transferable security or an approved money-market instrument will embed a derivative if it contains a component which fulfils the following criteria:
- 18.18.4.1 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;
 - 18.18.4.2 its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract; and
 - 18.18.4.3 it has a significant impact on the risk profile and pricing of the transferable security or approved money-market instrument.
- 18.18.5 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.
- 18.18.6 Where the Fund invests in an index based derivative, provided the relevant index falls within COLL 5.2.20 AR (Financial Indices underlying derivatives) the underlying constituents of the index do not have to be taken into account for the purposes of COLL 5.2.11R and COLL 5.2.12R.
- 18.18.7 **Under COLL derivatives are permitted for UCITS Schemes for investment purposes and derivative transactions may be used for the purposes of hedging or meeting the investment objectives or both. The Fund intends to use its property to invest in derivatives and forward transactions under COLL for the purposes of efficient portfolio management and/or meeting the investment objective of the Fund. Such use is not expected to have a detrimental effect on the risk profile of the Fund.**

18.19 Permitted transactions: derivatives and forwards

- 18.19.1 A transaction in a derivative must be in an approved derivative; or be one which complies with paragraph 1.23 (OTC transactions in derivatives).
- 18.19.2 A transaction in a derivative must have the underlying consisting of any one or more of the following to which the Fund is dedicated: transferable securities, money-market instruments permitted under paragraph 1.7 (Approved money-market instruments), deposits, permitted derivatives under this paragraph, collective investment scheme units permitted under paragraph 1.16 (Investment in collective investment schemes), financial indices which satisfy the criteria set out in paragraph 1.19, interest rates, foreign exchange rates, and currencies.
- 18.19.3 A transaction in an approved derivative must be effected on or under the rules of an eligible derivatives market.
- 18.19.4 A transaction in a derivative must not cause the Fund to diverge from its investment objectives as stated in the Trust Deed and the most recently published version of this Prospectus.
- 18.19.5 A transaction in a derivative must not be entered into if the intended effect is to create the potential for an uncovered sale of one or more transferable securities, approved money -market instruments, units in collective investment schemes, or derivatives, provided that a sale is not to be considered as uncovered if the conditions in paragraph 1.21 are satisfied.
- 18.19.6 Any forward transaction must be with an Eligible Institution or an Approved Bank.
- 18.19.7 A derivative includes an instrument which fulfils the following criteria:
 - 18.19.7.1 it allows the transfer of the credit risk of the underlying independently from the other risks associated with that underlying;
 - 18.19.7.2 it does not result in the delivery or the transfer of assets other than those referred to in paragraph 1.3 including cash;
 - 18.19.7.3 in the case of an OTC derivative, it complies with the requirements in paragraph 1.22 (OTC transactions in derivatives);
 - 18.19.7.4 its risks are adequately captured by the risk management process of the Manager and by its internal control mechanisms in the case of risks of asymmetry of information between the Manager and the counterparty to the derivative, resulting from potential access of the counterparty to non-public information on persons whose assets are used as the underlying by that derivative.

18.20 Total Return Swaps

- 18.20.1 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 owning that asset.
- 18.20.2 A Fund may enter into a range of swap transactions in pursuit of its investment objective (including total return swaps) or other financial derivatives instruments with similar characteristics. The underlying assets and investment

strategies of such swaps, to which exposure will be gained, will be consistent with the investment objective and policy of the relevant Fund.

- 18.20.3 The specific types of total return swaps permitted are swaps on diversified baskets of global equities and cash in which individual equity positions can be either long or short.
- 18.20.4 The maximum aggregate notional of the total return swaps entered into by a Fund is equal to 100% of the NAV of that Fund.
- 18.20.5 It is expected that, at any one time, the aggregate notional of the total return swaps entered into by a Fund will be the maximum level of 100% of the NAV of that Fund.
- 18.20.6 The counterparty to such transactions may not have discretion over the composition or management of a Fund's portfolio or over the underlying of financial derivative instruments used by a Fund. Counterparty approval is not required in relation to any investment decision made by a Fund and the Fund may not enter into a swap or other derivative transaction where such approval would be required.
- 18.20.7 The counterparties of these transactions will be highly rated financial institutions specialising in these types of transactions and approved by the Investment Manager. Counterparties will normally carry a minimum BBB+/Baa1 rating from at least one of Fitch, Moody's and S&P. The counterparties will be entities with legal personality, typically located in OECD jurisdictions and generally limited to the major financial institutions in leading economies. They will be subject to ongoing supervision by a public authority and be financially sound. A counterparty may be an associate of the Manager or the Investment Manager which may give rise to a conflict of interest.
- 18.20.8 Total return swaps generate additional revenue for the benefit of the relevant Fund. 100% of this revenue will be retained by the relevant Fund.

18.21 **Financial indices underlying derivatives**

- 18.21.1 The financial indices referred to in 1.18.2 are those which satisfy the following criteria:
 - 18.21.1.1 the index is sufficiently diversified;
 - 18.21.1.2 the index represents an adequate benchmark for the market to which it refers; and
 - 18.21.1.3 the index is published in an appropriate manner.
- 18.21.2 A financial index is sufficiently diversified if:
 - 18.21.2.1 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;
 - 18.21.2.2 where it is composed of assets in which the 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
 - 18.21.2.3 where it is composed of assets in which the 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.

- 18.21.3 A financial index represents an adequate benchmark for the market to which it refers if:
- 18.21.3.1 it measures the performance of a representative group of underlyings in a relevant and appropriate way;
 - 18.21.3.2 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
 - 18.21.3.3 the underlyings are sufficiently liquid, allowing users to replicate it if necessary.
- 18.21.4 A financial index is published in an appropriate manner if:
- 18.21.4.1 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
 - 18.21.4.2 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.
 - 18.21.4.3 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 1.18.2, be regarded as a combination of those underlyings.

18.22 Transactions for the purchase of property

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

18.23 Requirement to cover sales

- 18.23.1 No agreement by or on behalf of the 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 Fund by delivery of property or the assignment (or, in Scotland, assignation) of rights, and the property and rights above are owned by the Fund at the time of the agreement. This requirement does not apply to a deposit.

18.24 OTC transactions in derivatives

- 18.24.1 Any transaction in an OTC derivative must be:
- 18.24.1.1 in a future or an option or a contract for differences;
 - 18.24.1.2 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;

- 18.24.1.3 on approved terms. The terms of the transaction in derivatives are approved only if, the Manager
 - 18.24.1.3.1 carries out at least daily a reliable and verifiable valuation in respect of that transaction corresponding to its fair value and which does not rely only on market quotations by the counterparty; and
 - 18.24.1.3.2 can enter into one or more further transactions to sell, liquidate or close out that transaction at any time, at its fair value; and
 - 18.24.1.4 that it or an alternative counterparty will, at the request of the Manager, enter into a further transaction to close out that transaction at any time, at a fair value arrived at under the reliable market value basis or pricing model agreed under the following paragraph; and
 - 18.24.1.5 capable of reliable valuation; a transaction in derivatives is capable of reliable valuation only if the Manager 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:
 - 18.24.1.5.1 on the basis of an up-to-date market value which the Manager and the Trustee have agreed is reliable; or
 - 18.24.1.5.2 if the value referred to in 1.22.1.5.1 is not available, on the basis of a pricing model which the Manager and the Trustee have agreed uses an adequate recognised methodology; and
 - 18.24.1.6 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:
 - 18.24.1.6.1 an appropriate third party which is independent from the counterparty of the derivative at an adequate frequency and in such a way that the Manager is able to check it; or
 - 18.24.1.6.2 a department within the Manager which is independent from the department in charge of managing the Fund and which is adequately equipped for such a purpose.

18.25 **Valuation of OTC derivatives**

- 18.25.1 For the purposes of paragraph 18.24.1.3, the Manager must:
- 18.25.2 establish, implement and maintain arrangements and procedures which ensure appropriate, transparent and fair valuation of the exposures of a Fund to OTC derivatives; and
- 18.25.3 ensure that the fair value of OTC derivatives is subject to adequate, accurate and independent assessment.
- 18.25.4 Where the arrangements and procedures referred to above involve the performance of certain activities by third parties, the Manager must comply with the requirements in SYSC 8.1.13 R (Additional requirements for a management company) and COLL 6.6A.4 R (4) to (6) (Due diligence requirements of AFMs of UCITS schemes).
- 18.25.5 The arrangements and procedures referred to in this rule must be:

- 18.25.5.1 adequate and proportionate to the nature and complexity of the OTC derivative concerned; and
- 18.25.5.2 adequately documented.

18.26 **Risk management**

- 18.26.1 The Manager uses a risk management process, enabling it to monitor and measure at any time the risk of a Fund's positions and their contribution to the overall risk profile of a Fund.
- 18.26.2 The following details of the risk management process must be regularly notified by the Manager to the FCA and at least on an annual basis:
 - 18.26.2.1 a true and fair view of the types of derivatives and forward transactions to be used within a Fund together with their underlying risks and any relevant quantitative limits; and
 - 18.26.2.2 the methods for estimating risks in derivative and forward transactions.

18.27 **Daily calculation of global exposure**

- 18.27.1 The Manager must calculate the global exposure of a Fund on at least a daily basis.
- 18.27.2 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.

18.28 **Calculation of global exposure**

- 18.28.1 The Manager must calculate the global exposure of any Fund it manages either as:
 - 18.28.1.1 the incremental exposure and leverage generated through the use of derivatives and forward transactions (including embedded derivatives, which may not exceed 100% of the net value of the scheme property of a Fund, by way of the commitment approach; or
 - 18.28.1.2 the market risk of the scheme property of a Fund, by way of the value at risk approach.
- 18.28.2 The Manager must ensure that the method selected above is appropriate, taking into account:
 - 18.28.2.1 the investment strategy pursued by the Fund;
 - 18.28.2.2 the types and complexities of the derivatives and forward transactions used; and
 - 18.28.2.3 the proportion of the scheme property comprising derivatives and forward transactions.
- 18.28.3 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 Manager must take those transactions into consideration when calculating global exposure.

- 18.28.4 For the purposes of paragraph 1.27.1, value at risk means a measure of the maximum expected loss at a given confidence level over the specific time period.

18.29 **Commitment approach**

- 18.29.1 Where the Manager uses the commitment approach for the calculation of global exposure, it must:
- 18.29.1.1 ensure that it applies this approach to all derivative and forward transactions (including embedded), whether used as part of the Fund's general investment policy, for the purposes of risk reduction or for the purposes of efficient portfolio; and
 - 18.29.1.2 convert each derivative or forward transaction into the market value of an equivalent position in the underlying asset of that derivative or forward (standard commitment approach).
- 18.29.2 The Manager may apply other calculation methods which are equivalent to the standard commitment approach.
- 18.29.3 For the commitment approach, the Manager may take account of netting and hedging arrangements when calculating global exposure of a Fund, where these arrangements do not disregard obvious and material risks and result in a clear reduction in risk exposure.
- 18.29.4 Where the use of derivatives or forward transactions does not generate incremental exposure for the Fund, the underlying exposure need not be included in the commitment calculation.
- 18.29.5 Where the commitment approach is used, temporary borrowing arrangements entered into on behalf of the Fund need not form part of the global exposure calculation.

18.30 **Investment in deposits**

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

18.31 **Significant influence**

- 18.31.1 The Manager must not acquire, or cause to be acquired for an authorised unit trust of which it is the Manager, transferable securities issued by a body corporate and carrying rights to vote (whether or not on substantially all matters) at a general meeting of that body if:
- 18.31.1.1 immediately before the acquisition, the aggregate of any such securities held for the Fund, taken together with any such securities already held for other authorised unit trusts of which it is also the Manager, gives the Manager power significantly to influence the conduct of business of that body corporate; or
 - 18.31.1.2 the acquisition gives the Manager that power.
- 18.31.2 For the purposes of paragraph 1.30.1, the Manager is to be taken to have power significantly to influence the conduct of business of a body corporate if it can, because of the transferable securities held for all the authorised unit trusts of which it is the Manager, exercise or control the exercise of 20% or more of the voting rights in that body corporate (disregarding for this purpose any temporary suspension of voting rights in respect of the transferable securities of that body corporate).

18.32 **Concentration**

18.32.1 A UCITS Scheme:

- 18.32.1.1 must not acquire transferable securities other than debt securities which:
 - 18.32.1.1.1 do not carry a right to vote on any matter at a general meeting of the body corporate that issued them; and
 - 18.32.1.1.2 represent more than 10% of these securities issued by that body corporate;
 - 18.32.1.1.3 must not acquire more than 10% of the debt securities issued by any single issuing body;
 - 18.32.1.1.4 must not acquire more than 25% of the units in a collective investment scheme;
 - 18.32.1.1.5 must not acquire more than 10% of the approved money -market instruments issued by any single body;
- 18.32.1.2 need not comply with the limits in paragraphs 1.31.1.1.2, 1.31.1.1.3 and 1.31.1.1.4 if, at the time of the acquisition, the net amount in issue of the relevant investment cannot be calculated.

18.33 **Derivative exposure**

- 18.33.1 The 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.
- 18.33.2 Cover ensures that the Fund is not exposed to the risk of loss of property, including money, to an extent greater than the net value of the scheme property. Therefore, the Fund must hold scheme property which is sufficient in value or amount to match the exposure arising from a derivative obligation to which the Fund is committed. Paragraph 1.30 (Cover for transactions in derivatives and forward transactions) below sets out detailed requirements for cover of the Fund.
- 18.33.3 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 Fund is committed (in that it gives the right of potential exercise to another thereby creating exposure); and a bought option as a right (in that the purchaser can, but need not, exercise the right to require the writer to deliver and accept and pay for something).
- 18.33.4 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.

18.34 **Schemes replicating an Index**

- 18.34.1 The 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.
- 18.34.2 Replication of the composition of a relevant index shall be understood to be a reference to a replication of the composition of the underlying assets of that

index, including the use of techniques and instruments permitted for the purpose of efficient portfolio management.

- 18.34.3 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.
- 18.34.4 In the case of the Fund replicating an index the scheme property need not consist of the exact composition and weighting of the underlying in the relevant index in cases where the Fund's investment objective is to achieve a result consistent with the replication of an index rather than an exact replication.
- 18.34.5 The indices referred to above are those which satisfy the following criteria:
 - 18.34.5.1 the composition is sufficiently diversified;
 - 18.34.5.2 the index represents an adequate benchmark for the market to which it refers; and
 - 18.34.5.3 the index is published in an appropriate manner.
- 18.34.6 The composition of an index is sufficiently diversified if its components adhere to the spread and concentration requirements in this section.
- 18.34.7 An index represents an adequate benchmark if its provider uses a recognised methodology which generally does not result in the exclusion of a major issuer of the market to which it refers.
- 18.34.8 An index is published in an appropriate manner if:
 - 18.34.8.1 it is accessible to the public;
 - 18.34.8.2 the index provider is independent from the index-replicating UCITS scheme; this does not preclude index providers and the UCITS Scheme from forming part of the same group, provided that effective arrangements for the management of conflicts of interest are in place.

18.35 **Cover for transactions in derivatives and forward transactions**

- 18.35.1 A transaction in derivatives or forward transaction is to be entered into only if the maximum exposure, in terms of the principal or notional principal created by the transaction to which the Fund is or may be committed by another person is covered globally.
- 18.35.2 Exposure is covered globally if adequate cover from within the scheme property is available to meet the scheme's total exposure, taking into account the value of the underlying assets, any reasonably foreseeable market movement, counterparty risk, and the time available to liquidate any positions.
- 18.35.3 Cash not yet received into the scheme property but due to be received within one month is available as cover.
- 18.35.4 Scheme property the subject of a stock lending transaction is only available for cover if the Manager has taken reasonable care to determine that it is obtainable (by return or re-acquisition) in time to meet the obligation for which cover is required.
- 18.35.5 The global exposure relating to derivatives held in the Fund may not exceed the Net Asset Value of the scheme property.

18.36 **Cover and Borrowing**

- 18.36.1 Cash obtained from borrowing, and borrowing which the Manager reasonably regards an Eligible Institution or an Approved Bank to be committed to provide, is not available for cover under paragraph 1.29 except where 1.30.2 below applies.
- 18.36.2 Where, for the purposes of this paragraph the Fund borrows an amount of currency from an Eligible Institution or an Approved Bank; and keeps an amount in another currency, at least equal to such borrowing for the time being in 1.30.1 on deposit with the lender (or his agent or nominee), then this paragraph 1.30.2 applies as if the borrowed currency, and not the deposited currency, were part of the scheme property.

18.37 **Cash and near cash**

- 18.37.1 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:
 - 18.37.1.1 the pursuit of the Fund's investment objectives; or
 - 18.37.1.2 redemption of units; or
 - 18.37.1.3 efficient management of the Fund in accordance with its investment objectives; or
 - 18.37.1.4 other purposes which may reasonably be regarded as ancillary to the investment objectives of the Fund.
- 18.37.2 During the period of the initial offer the scheme property may consist of cash and near cash without limitation.

18.38 **General**

- 18.38.1 It is not intended that the Fund will have an interest in any immovable property or tangible movable property.
- 18.38.2 It is envisaged that the Fund will normally be fully invested but there may be times that it is appropriate not to be fully invested when the Manager reasonably regards this as necessary in pursuit of the investment objective and policy, redemption of units, efficient management of the Fund or any one purpose which may reasonably be regarded as ancillary to the investment objectives of the Fund.

18.39 **Underwriting**

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

18.40 **Borrowing Powers**

- 18.40.1 The Trustee (on the instructions of the Manager) may borrow sums from an Eligible Institution or an Approved Bank for the use of a Fund, on the terms that the borrowing is to be repayable out of the property of the Fund.
- 18.40.2 The Manager must ensure that such borrowing is on a temporary basis, must not be persistent and, for this purpose:-
 - 18.40.2.1 The Manager may have regard in particular to:
 - 18.40.2.1.1 the duration of any period of borrowing, and

18.40.2.1.2 the number of occasions on which borrowing is undertaken in any period;

18.40.2.2 The Manager must ensure that no period of borrowing exceeds 3 months without the consent of the Trustee, whether in respect of any specific sum or at all.

18.40.3 The Manager must ensure that the borrowing of the Fund does not, on any business day, exceed 10% of the value of the property of that Fund. 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).

18.41 **Best Execution**

18.41.1 The Manager shall be entitled, subject to its duty to secure Best Execution for you (which for these purposes shall disregard any benefit which might enure directly or indirectly to the Fund as a result of the arrangement hereinafter described), to effect transactions with or through the agency of another person with whom the Manager has an arrangement under which that person will from time to time provide to or procure for the Manager services or other benefits the nature of which are such that their provision results, or is designed to result, in an improvement in the Manager's performance in providing services for its clients and for which the Manager makes no direct payment but instead undertakes to place business with that person.

18.42 **Commission Sharing Arrangements**

The Columbia Threadneedle Investments policy on Commission Sharing Arrangements is available on request.

APPENDIX 4 – FUND DETAILS

Details on typical investor profile

The Trust is designed to be suitable for any investor, including a retail investor, who is prepared to risk loss of their capital to potentially get higher returns and who plans to stay invested in the Trust for at least 5 years. The target market of the Trust is any investor, including a retail investor, who has read the Key Investor Information Document, wishes to have the investment exposure as set out in the Trust's investment objective and policy, and is comfortable taking on the general and specific risks as set out above.

The Trust is appropriate for an investor with basic knowledge, or an informed investor, or an experienced investor. The Trust may be purchased with or without professional financial advice. The Trust has been classified as a non-complex investment product so there is no requirement to have prior knowledge or experience of this type of investment before investing.

The Trust is designed to be used as a standalone solution or form part of a portfolio of investments. The product is not guaranteed and the value of the product can go up or down.

Name:	CT Diversified Monthly Income Fund
Category of Fund	UCITS Scheme
Investment objective and policy:	<p>The Fund aims to provide a monthly income with the potential for capital growth over the long term (at least 5 years).</p> <p>The Fund invests at least 60%, directly or indirectly, in fixed interest securities (securities that pay a fixed level of income on a periodic basis and generally repay a specific amount at a pre-determined date). The Investment Manager may obtain indirect exposure to the fixed interest securities by investing in other collective investment schemes (including other schemes managed by the Fund's authorised fund manager or the Investment Manager).</p> <p>The Investment Manager selects the fixed interest securities with the intention of achieving a wide degree of diversification across issuers, regions and industry sectors, while managing exposure to credit and company specific risks. The securities may be issued anywhere in the world and may include issuers that are governments, supranational entities or companies. Non-sterling exposure to fixed interest securities will normally be hedged back to sterling.</p> <p>The fixed interest securities will generally be of investment grade but may include some non-investment grade securities. Investment grade securities are considered by the Investment Manager to be either those rated by independent ratings agencies such as S&P as BBB- or higher (or their equivalent) or those which are not rated by an independent ratings agency but which the Investment Manager believes to be of comparable quality.</p> <p>The Fund will also invest in equities of companies based anywhere in the world, which will be diversified by region and sector. The equities will almost exclusively be dividend bearing, generally with an above average dividend yield. Non-sterling equity exposure will not normally be hedged back to sterling.</p> <p>To the extent that the Fund is not fully invested in fixed interest securities (including the exposure obtained through collective investment schemes) and equities, the Fund may also invest in other transferable securities, cash, near cash, money market instruments and collective investment schemes; which may include schemes or funds managed by the Fund's authorised fund manager or the Investment Manager.</p> <p>The Fund may use derivatives for the purposes of efficient portfolio management or for investment purposes for example, by the writing of call and put options which may impact the growth potential of the Fund.</p> <p>Hedging is an investment technique that may be used to protect the value of the Fund or income from adverse price movements in transferable securities in currencies other than the Fund's accounting currency, which is sterling.</p> <p>In order to distribute income monthly as interest, it is the Investment Manager's intention to maintain over 60% of the portfolio in fixed interest securities and cash, with less than 40% of the portfolio in equities or other assets.</p>

Comparator Benchmark	<p>The Manager believes that an appropriate comparison for this Fund is the Investment Association Mixed Investment 0-35% Shares sector Median, given the investment policy of the Fund and the approach taken by the manager when investing the Fund's portfolio.</p> <p>The performance of each share class may differ depending on the level of share class expenses. Investors should consider the OCF of their share class when considering how the Fund has performed. Past performance tables are provided at Appendix 5.</p>
Income allocation dates:	Monthly on the 28 th of the month
ISA status	Qualifying investment for stocks and shares ISA
Shares Classes and type of Shares:	<p>Class 1 Shares, income</p> <p>Class C Shares, income</p> <p>Class L Shares, income (Class L is only available to shareholders who have had their holding converted to Class L from Class 1 income shares).</p>

		Class 1 Shares	Class C Shares	Class L Shares
Initial charge:	Current:	5.00%	0%	5.00%
Annual Manager fee:	Current:	1.30%	0.55%	0.55%
	Annual Management Charge taken from Capital			
Investment minima:	Lump sum	£1,000	£500,000	£500,000
	Holding	£1,000	£500,000	£1,000
	Top-up	£1,000	£250,000	£1,000
	Monthly saving	£50	£50	£50
	Redemption	£100	N/A	£100

INVESTOR PROFILE	THE FUND IS INTENDED TO PROVIDE INVESTMENT OPPORTUNITY FOR INVESTORS WISHING TO OBTAIN EXPOSURE TO THE ASSETS IN WHICH THE FUND INVESTS. PLEASE REFER TO THE INFORMATION ON TYPICAL INVESTOR PROFILES SET OUT ABOVE.
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IF YOU ARE NOT SURE IF THE FUND IS SUITABLE FOR YOU, PLEASE SEEK INVESTMENT ADVICE.

APPENDIX 5

PAST PERFORMANCE

FUND NAME	31/01/2022 to 31/01/2023	31/01/2021 to 31/01/2022	31/01/2020 to 31/01/2021	31/01/2019 to 31/01/2020	31/01/2018 to 31/01/2019
CT Diversified Monthly Income 1 Inc	-3.13	5.20	1.57	2.65	-1.14

Source: Columbia Threadneedle Fund Management Limited. Total return in sterling with no allowance for initial charges. Past performance is not necessarily a guide to future performance.

APPENDIX 6

The Depositary has delegated those safekeeping duties set out in Article 22(5)(a) of the UCITS Directive (or the statutory equivalent thereof which forms part of UK law by virtue of the European Union (Withdrawal) Act 2018, as applicable) to State Street Bank and Trust Company with registered office at Copley Place, 100 Huntington Avenue, Boston, Massachusetts 02116, USA, with an office at 20 Churchill Place, Canary Wharf, London E14 5HJ, UK, whom it has appointed as its global sub-custodian.

At the date of this prospectus State Street Bank and Trust Company as global sub-custodian has appointed local sub-custodians within the State Street Global Custody Network as listed below. An up-to-date version of this list may be obtained from the Manager on request.

Market	Sub-custodian
Albania	Raiffeisen Bank sh.a.
Argentina	Citibank, N.A., Buenos Aires
Australia	The Hongkong and Shanghai Banking Corporation Limited
Austria	Deutsche Bank AG UniCredit Bank Austria AG
Bahrain	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
Bangladesh	Standard Chartered Bank
Belgium	BNP Paribas.
Benin	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
Bermuda	HSBC Bank Bermuda Limited
Federation of Bosnia and Herzegovina	UniCredit Bank d.d.
Botswana	Standard Chartered Bank Botswana Limited
Brazil	Citibank, N.A.
Bulgaria	Citibank Europe plc, Bulgaria Branch UniCredit Bulbank AD
Burkina Faso	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
Canada	State Street Trust Company Canada
Chile	Banco de Chile
People's Republic of China	HSBC Bank (China) Company Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited) China Construction Bank Corporation (for A-share market only) Citibank N.A. (for Shanghai – Hong Kong Stock Connect market only) The Hongkong and Shanghai Banking Corporation Limited (for Shanghai – Hong Kong Stock Connect market only)

	Standard Chartered Bank (Hong Kong) Limited (for Shanghai – Hong Kong Stock Connect market)
Colombia	Cititrust Colombia S.A. Sociedad Fiduciaria
Costa Rica	Banco BCT S.A.
Croatia	Privredna Banka Zagreb d.d. Zagrebacka Banka d.d.
Cyprus	BNP Paribas Securities Services, S.C.A., Greece (operating through its Athens branch)
Czech Republic	Československá obchodní banka, a.s. UniCredit Bank Czech Republic and Slovakia, a.s.
Denmark	Nordea Bank AB (publ), Sweden (operating through its subsidiary, Nordea Bank Danmark A/S) Skandinaviska Enskilda Banken AB (publ), Sweden (operating through its Copenhagen branch)
Egypt	Citibank N.A. (operating through its Cairo branch)
Estonia	AS SEB Pank
Finland	Skandinaviska Enskilda Banken AB (publ), Sweden (operating through its Helsinki branch)
France	BNP Paribas
Republic of Georgia	JSC Bank of Georgia
Germany	State Street Bank GmbH
Ghana	Standard Chartered Bank Ghana Limited
Greece	BNP Paribas Securities Services, S.C.A.
Guinea-Bissau	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
Hong Kong	The Hongkong Shanghai Banking Corporation Limited
Hungary	Citibank Europe plc Magyarországi Fióktelepe UniCredit Bank Hungary Zrt.
Iceland	Landsbankinn hf.
India	Citibank N.A.
Indonesia	Deutsche Bank AG
Ireland	State Street Bank and Trust Company, United Kingdom branch
Israel	Bank Hapoalim B.M.
Italy	Deutsche Bank S.p.A. Intesa Sanpaolo S.p.A.
Ivory Coast	Standard Chartered Bank Côte d'Ivoire S.A.

Japan	Mizuho Bank, Limited The Hongkong and Shanghai Banking Corporation Limited
Jordan	Standard Chartered Bank
Kazakhstan	JSC Citibank Kazakhstan
Kenya	Standard Chartered Bank Kenya Limited
Republic of Korea	Deutsche Bank AG The Hongkong and Shanghai Banking Corporation Limited
Kuwait	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
Latvia	AS SEB banka
Lithuania	AB SEB bankas
Luxembourg	Clearstream Banking S.A., Luxembourg
Malawi	Standard Bank Limited
Malaysia	Deutsche Bank (Malaysia) Berhad Standard Chartered Bank Malaysia Berhad
Mali	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
Mauritius	The Hongkong and Shanghai Banking Corporation Limited
Mexico	Banco Nacional de México, S.A.
Morocco	Citibank Maghreb
Namibia	Standard Bank Namibia Limited
Netherlands	Deutsche Bank AG
New Zealand	The Hongkong and Shanghai Banking Corporation Limited
Niger	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
Nigeria	Stanbic IBTC Bank Plc.
Norway	Skandinaviska Enskilda Banken AB (publ), Sweden (operating through its Oslo branch)
Oman	HSBC Bank Oman S.A.O.G. (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
Pakistan	Deutsche Bank AG
Panama	Citibank, N.A.
Peru	Citibank del Perú, S.A.
Philippines	Deutsche Bank AG
Poland	Bank Handlowy w Warszawie S.A.

Portugal	Deutsche Bank AG, Netherlands (operating through its Amsterdam branch with support from its Lisbon branch)
Qatar	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
Romania	Citibank Europe plc, Dublin – Romania Branch
Russia	AO Citibank
Saudi Arabia	HSBC Saudi Arabia Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
Senegal	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
Serbia	UniCredit Bank Serbia JSC
Singapore	Citibank N.A.
Slovak Republic	UniCredit Bank Czech Republic and Slovakia, a.s.
Slovenia	UniCredit Banka Slovenija d.d.
South Africa	FirstRand Bank Limited Standard Bank of South Africa Limited
Spain	Deutsche Bank S.A.E.
Sri Lanka	The Hongkong and Shanghai Banking Corporation Limited
Republic of Srpska	UniCredit Bank d.d.
Swaziland	Standard Bank Swaziland Limited
Sweden	Skandinaviska Enskilda Banken AB (publ)
Switzerland	Credit Suisse AG UBS Switzerland AG
Taiwan – R.O.C.	Standard Chartered Bank (Taiwan) Limited
Tanzania	Standard Chartered Bank (Tanzania) Limited
Thailand	Standard Chartered Bank (Thai) Public Company Limited
Togo	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
Tunisia	Union Internationale de Banques
Turkey	Citibank, A.Ş. Deutsche Bank A.Ş.
Ukraine	PJSC Citibank
United Arab Emirates Dubai Financial Market	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)

United Arab Emirates Dubai International Financial Center	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
United Arab Emirates Abu Dhabi	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
United Kingdom	State Street Bank and Trust Company, United Kingdom branch
United States	State Street Bank and Trust Company, Boston
Uruguay	Banco Itaú Uruguay S.A.
Vietnam	HSBC Bank (Vietnam) Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
Zambia	Standard Chartered Bank Zambia Plc.
Zimbabwe	Stanbic Bank Zimbabwe Limited (as delegate of Standard Bank of South Africa Limited)