

MAJEDIE ASSET MANAGEMENT INVESTMENT
FUND COMPANY

PROSPECTUS

Last revised and updated on 1 July 2013

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DEFINITIONS

In this document (including the Appendices), the following standard terms and abbreviations are used from time to time, and they shall have the meanings given to them here:

"ACD" means Majedie Asset Management Limited;

"Act" means the Financial Services and Markets Act 2000, and as in the future amended or replaced by new legislation;

"Administrator" means Bank of New York Mellon (International) Limited;

"Appendices" means the particulars of each Fund as set out in back of this Prospectus;

"Appendix" means the particulars of a Fund as set out in the Appendices;

"Authority" means The Financial Conduct Authority of 25 The North Colonnade, Canary Wharf, London E14 5HS or any successor or replacement authority responsible for regulating the Company and the ACD;

"Base Currency" means in relation to any Fund such currency as is specified in the Appendices;

"Business Day" means any day (apart from Saturdays, Sundays and public holidays in the UK or any part of it) on which banks are ordinarily open for business;

"CFDs" means contracts for differences;

"Class Meeting" means a meeting of Shareholders of a given Class;

"Class" means a class of Shares issued by the Company in respect of a Fund;

"Company" means Majedie Asset Management Investment Fund Company;

"Company Meeting" means a meeting of Shareholders in the Company which has been convened in accordance with the Sourcebook;

"Dealing Day" means in respect of each Fund such Business Days as is specified in the Appendix for the relevant Fund provided there is one Dealing Day for each Fund per fortnight;

"Dealing Deadline" means in relation to applications for subscriptions, repurchase or exchanges of Shares in a Fund, the date and time specified in the Appendix for the relevant Fund;

"Depositary" means BNY Mellon Trust & Depositary (UK) Limited;

"Derivative" shall have the same meaning as in the Sourcebook;

"Exit Charge" means in relation to each Fund the charge for redeeming any Shares;

"Extraordinary Resolution" means a resolution which is put to a Meeting, and which requires the approval of at least 75% of all the votes cast for and against it in order to be passed;

"FCA Glossary" means the glossary which forms part of the Handbook published by the Authority;

"Fund" means a sub-fund, comprised within the Company, with its own investment objectives (as set out in the Appendices of this Prospectus);

"ICVC" means an investment company with variable capital;

"ICVC Regulations" means The Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) (as amended) made under s262 of the Act;

"Instrument" means the Company's Instrument of Incorporation;

"Meeting" means a Company Meeting or a Class Meeting, as the context requires;

"NAV" means in respect of a Fund its net asset value;

"NAV per Share" means in respect of a Fund its NAV divided by the number of Shares in issue;

"Ordinary Resolution" means a resolution which is put to a Meeting, and which requires the approval of a simple majority of all the votes cast for and against it in order to be passed;

"OTC Derivative" shall have the same meaning as in the Sourcebook;

"Register of Shareholders" means the register of Shareholders of the Company maintained by the Administrator in accordance with chapter 6.4 of the Sourcebook;

"Registrar" means Bank of New York Mellon (International) Limited;

"Regulations" means the ICVC Regulations and the Sourcebook;

"Share" means a share issued by the Company;

"Shareholder" means the holder of one or more Shares;

"Sourcebook" means that part of the Handbook published by the Authority which deals with regulated collective investment schemes;

"UCITS Directive" means Directive 2009/65/EC on the co-ordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities;

"UCITS Scheme" means a collective investment scheme complying with the requirements of the UCITS Directive;

"UK" means the United Kingdom;

"US Person" has the same meaning as in Regulation S promulgated under the United States Securities Act of 1933;

"Valuation Point" means in relation to a Fund the point in time by reference to which the NAV and the NAV per Share are calculated as is specified in the Appendix for that Fund; and

"VAT" means Value Added Tax.

Other words and expressions contained in this Prospectus but not defined herein shall have the meanings ascribed to them in the FCA Glossary.

INTRODUCTION

This Prospectus has been prepared in accordance with chapter 4 of the Sourcebook. It relates to a continuing offer of Shares more fully described in the course of this document. Investors should be aware that information in this document is generic in nature, and there may be specific reasons why investing in Shares would not be in the interests of a particular prospective investor. Investors are encouraged to seek an appropriate degree of advice prior to investing in Shares.

This Prospectus is laid out in three sections: Part 1 (*General Information concerning the Company*) contains generic information concerning the Company; Part 2 (*Investment and borrowing powers*) contains a description of the investment and borrowing powers of the Company; and the Appendices contains specific information in relation to each Fund (for example, their investment objectives and the periodic charges applicable to each of them).

This document was last revised and republished on 1 July 2013. If you have been provided with a copy of this document, that is more than 6 months old, you are advised to check with your financial adviser or with the ACD whether you have been provided with the current version of this Prospectus.

You should remember that past performance is no guarantee of future returns. The price and value of Shares and the amount of income from them can go down as well as up. You may not get back the amount that you originally invested. An investment in any Fund promoted by the Company should be seen as medium to long term. Before investing, you should consider carefully whether the investment is appropriate for you and, if in doubt, you should take independent advice. A summary of the risk factors pertinent to investing in a Fund appears in Paragraph 7.4 of Part 1.

Selling Restrictions

This Prospectus is intended for distribution in the UK only. Its distribution in other countries may be prohibited or restricted. This Prospectus does not amount to an offer in any jurisdiction where such offer may be prohibited or to any investor outside the UK who is prohibited by applicable laws from subscribing for Shares. If you are resident or domiciled in a country other than the UK and wish to subscribe for Shares, you should seek professional advice as to the legal, tax and exchange control consequences of doing so.

The Shares described in this Prospectus have not been and will not be registered under the United States Securities Act of 1933, as amended, the United States Investment Company Act of 1940 or the securities laws of any of the states in the United States. The Shares may not be offered, sold or delivered directly or indirectly in the United States or to the account or benefit of any US Person.

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

The provisions of the Instrument are binding on each of the Shareholders and a copy of the Instrument is available on request.

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

PART 1
GENERAL INFORMATION CONCERNING THE COMPANY

1. PARTIES

1.1 The Company

The Company is constituted as an open-ended ICVC, pursuant to the ICVC Regulations and the Sourcebook. For the purposes of the Sourcebook, the Company is a UCITS Scheme and an umbrella company as defined in the ICVC Regulations with power to issue different Classes of Shares in relation to different Funds.

The Company is incorporated in England & Wales with registered number IC000216 and its registered office is at 10 Old Bailey, London EC4M 7NG. The Company was authorised by an order made by the Authority on 12 March 2003, and the Company's operation is governed by the Regulations, the Instrument and this Prospectus.

The Company's base currency is Sterling. Its minimum permitted capital is £100 and its maximum permitted capital is £100,000,000,000.

1.2 The ACD

The Company's ACD is Majedie Asset Management Limited. The ACD was incorporated in England and Wales on 24 May 2002 and is a private limited company. The address of its registered office is 10 Old Bailey, London EC4M 7NG which is also the address for service on the Company of notices or other documents required or authorised to be served on it.

The ACD's issued and paid up share capital is 413,571 ordinary shares of 0.1p and 3,271,429 deferred shares of 0.1p.

The ACD is authorised under the Act to carry on investment business in the UK by virtue of being regulated by the Authority.

The Directors of the ACD are:

James de Uphaugh;

Christopher Field;

Robert Harris;

William Barlow; and

Chris Simmons.

The ACD does not act as the operator of any other collective investment schemes.

The Company has entered into an agreement with the ACD dated 13 March 2003 for the provision of investment management and other services by the ACD to the Company. This agreement was amended and restated on 27 September 2012. Under the terms of that agreement, the Company will indemnify the ACD against all costs and expenses which it may incur in managing the Company, other than where incurred as a consequence of the ACD's negligence, wilful default, breach of duty, breach of trust or fraud. If the ACD is removed as a director of the Company by an Ordinary Resolution of the Shareholders, that agreement will terminate as from three months after the date of such resolution. Either party may terminate the agreement on six months' notice in writing to the other. If the ACD's appointment as director ceases for any other reason, the agreement terminates forthwith.

The ACD is entitled to its pro rata fees and expenses to the date of termination and any additional expenses necessarily incurred in settling or realising any outstanding obligations. No compensation for loss of office is provided for in the agreement.

The ACD is under no obligation to account to the Depositary or the Shareholders for any profit it makes on the issue or reissue of Shares or cancellation of Shares that have been redeemed.

The ACD may provide services to clients and investment funds other than the Company (including investment funds in which the Company may itself invest). In that context, the ACD will not be obliged to make use of information which might cause it to breach a duty of confidentiality that it may owe to any such other client or Fund, or which comes to the attention of an employee or agent of the ACD not involved in managing the Company.

The ACD will seek to ensure that any conflicts of interest that may arise between the Company and its other clients are properly managed in accordance with its regulatory obligations. The ACD is subject to a conflicts of interest policy which identifies the types of conflict that may arise and the management of those conflicts. The policy is communicated to all staff and a summary is available to clients on request.

Under the agreement with the ACD, the ACD is permitted to delegate (with power to sub-delegate) any of its functions, powers and duties (subject to the Regulations) to any person. The ACD will remain liable for the acts or omissions of any person to whom any of its functions, powers or duties are delegated. The ACD may also employ agents and instruct professional advisers in connection with the performance of its duties.

1.3 The Depositary

BNY Mellon Trust & Depositary (UK) Limited is the depositary of the Company. It is a private company limited by shares incorporated in England and Wales. Its registered office is at The Bank of New York Mellon Centre, 160 Queen Victoria Street, London EC4V 4LA. Its principal business activities are those of acting as a trustee of authorised and other unit trust schemes and as a depositary in respect of authorised ICVCs. Its ultimate holding company is The Bank of New York Mellon Corporation, which is incorporated in Delaware, USA.

The Depositary is responsible for the safekeeping of all scheme property of the Company and has a duty to take reasonable care to ensure the Company is managed in accordance with the provisions of the Sourcebook relating to the pricing of and the dealing in Shares and also relating to the income of the Funds.

The Company has entered into an agreement with the Depositary dated 11 February 2003 for the provision of depositary and other connected services to the Company. This agreement was amended on 29 August 2012. This agreement may be terminated by the Company or by the Depositary on three months' written notice. There is a proviso that the Depositary may not resign its appointment unless a replacement depositary is appointed to act immediately upon such resignation taking effect. The appointment of a new depositary in place of the Depositary requires the prior approval of the Authority.

The Company will indemnify the Depositary, its directors, officers and employees against charges, losses and liabilities suffered or incurred in the proper execution or exercise, or in the purported execution or exercise reasonably, and in good faith, of the Depositary's duties, powers and authorities except in the case of failure to exercise due care and diligence.

Details of the fees payable to the Depositary are given in Paragraph 4.2 (*Depositary's charges and expenses*) of Part 1.

1.4 The Auditors

The auditors of the Company are Deloitte LLP, whose principal office address is Hill House, 1 Little New Street, London EC4A 3TR.

1.5 The Administrator

The ACD has appointed Bank of New York Mellon (International) Limited to act as Administrator and Registrar to the Company. The Administrator's office address is One Canada Square, London E14 5AL. The Register of Shareholders and any plan sub-registers maintained in accordance with chapter 6.4 of the Sourcebook may be inspected at

Majedie Asset Management Limited, 12 Blenheim Place, Edinburgh EH7 5ZR.

In addition to the delegation of the Registrar function, the ACD has also delegated to the Administrator the calculation of the NAV and NAV per Share of the Funds, dealing with applications for the issue and redemption of Shares, routine communication with Shareholders (apart from dispatch of reports and accounts) and the payment of distributions (where applicable) to Shareholders and the payment of fees and expenses.

Under the terms of an agreement dated 27 February 2003 between the ACD, and the Administrator, the ACD is responsible for the remuneration of the Administrator but the Company will bear the expenses which either of them may incur in the discharge of their respective duties.

The agreement may be terminated by either party on not less than 12 months' notice to the other party expiring at any time after the second anniversary of the agreement and forthwith in certain circumstances.

2. CHARACTERISTICS OF SHARES; RIGHTS ATTACHING TO SHARES; SHAREHOLDERS' MEETINGS; WINDING-UP, AMALGAMATION, RECONSTRUCTION AND TERMINATION

2.1 Characteristics of Shares

A Share is a division of the Company's capital. The holder of a Share is entitled to participate in the property and the income of the Company which it represents, in proportion to the value of that Share. However Shareholders do not have rights in respect of any specific property or assets of the Company or of any Fund. Shareholders do not, for example, have the right to vote at any meeting called by a company or other vehicle whose securities are included within the portfolio of a Fund. The ACD shall exclusively be entitled to direct the manner in which votes and other rights attaching to such securities are exercised.

As an umbrella company, the Company's different Funds are treated in law as being parts of a single legal entity, even though each Fund pursues a separate investment objective. The assets of a Fund belong exclusively to that Fund and shall not be used to discharge directly or indirectly the liabilities of, or claims against, any other person or body, including the Company, or any other Fund, and shall not be available for any such purpose. Shareholders are not directly liable for the debts of the Company and are not obliged to contribute towards the assets of the Company (or of any Fund) in any amount in excess of the price which they have agreed to pay for their Shares.

2.2 Types of Share

Broadly, the Sourcebook permits an ICVC to issue different classes of Share. The classes of Share that may be issued by the Company are as follows:

- (a) **"Accumulation Shares"**- an Accumulation Share is one in respect of which income is not distributed, but is instead periodically capitalised, increasing the capital value of the Share. As a matter of UK tax law, the income accumulated into the value of an Accumulation Share is deemed to be distributed and the Shareholder is taxed upon the income which he is deemed to have received. Further details of the taxation of the Company and of Shareholders is set out in Paragraph 5 (*Taxation*) of Part 1.
- (b) **"Income Shares"**- an Income Share is one in respect of which income is distributed to the Shareholder on a periodic basis.

By way of illustration, where a single type of Income Share and a single type of Accumulation Share are in issue, an Income Share of that type represents one undivided share in the property of the Fund in respect of which it is issued, and an Accumulation Share of that type represents as

many such Shares as are calculated by dividing the value of an Accumulation Share by the value of an Income Share issued by that Fund. However, the Sourcebook and the Instrument permit the Company to issue more than one type of Income Share and more than one type of Accumulation Share in relation to any Fund, each a separate Class.

The Company only issues Accumulation Shares and Income Shares (as detailed in the Appendices) which are net Accumulation Shares or net Income Shares, as the case may be. The Company has power to issue gross Accumulation Shares and gross Income Shares but has no current intention to do so.

2.3 Smaller and larger denomination Shares

Each Fund will issue so-called "**smaller denomination**" Shares to each investor who subscribes for Shares with a sum of money that is not precisely equal to a whole number of "**larger denomination**" (i.e. regular) Shares, in order to make up the difference because an ICVC cannot issue fractions of shares. There are 1,000 smaller denomination Shares to each larger denomination Share. In all respects other than relative value, smaller and larger denomination Shares entitle Shareholders to equivalent proportionate rights in the property of the Fund in question.

The Appendices provides details of the Classes of Shares currently issued by the Company, together with specific details of the charging structures applicable.

2.4 Meetings of Shareholders

(a) Powers of a Company Meeting

The powers of a Company Meeting are restricted to the following:

- (i) approval of an Extraordinary Resolution for the purpose of making a change in the Company's investment objective;
- (ii) approval of an Ordinary Resolution to remove the ACD;
- (iii) approval of a change to the currency in which the accounts of the Company are prepared;
- (iv) approval of an Extraordinary Resolution for (i) the amalgamation of the Company with another single ICVC or other recognised collective investment scheme; or (ii) the reconstruction of the Company so as to constitute two or more ICVCs or other recognised collective investment schemes; and

- (v) any other matters for which the approval of the Shareholders is required under the Sourcebook or the ICVC Regulations.

The ACD has elected in accordance with the ICVC Regulations to dispense with annual general meetings. This election is valid for all annual general meetings after that which was held in June 2005.

Apart from the above, Company Meetings have no further powers.

- (b) Convening a Company Meeting and service of notice

The ACD may convene a Company Meeting, and shall do so if required to do so by the Depositary or by a requisition from Shareholders representing at least 10% in value of all Shares for the time being in issue. Notice of at least 14 days must be given in respect of a Company Meeting (which period includes the date on which the Notice was posted and the date of the Company Meeting itself). The notice is required to be sent to all persons who were Shareholders as of seven days prior to the date of issue of the notice (other than where any such person is known to have ceased to be a Shareholder during those intervening seven days). The notice must state the time and place for the Company Meeting. The text of any Ordinary Resolution(s) and/or Extraordinary Resolution(s) to be proposed at the Company Meeting must appear in the Notice.

- (c) Quorum and representation

The quorum for a Company Meeting is two Shareholders present, in person or by proxy. A proxy for a Shareholder need not himself be a Shareholder. A Shareholder that is a legal person (such as a company) may appoint a natural person as its representative to attend the Company Meeting. Where a quorum is not present at a Company Meeting within 15 minutes of the time appointed for it to commence, it shall be adjourned (or where the Company Meeting has been convened upon the requisition of Shareholders, dissolved). At least 14 days' notice of the time and place for the reconvention of an adjourned Company Meeting shall be given to Shareholders (including the date of service of the notice and the date of the reconvened Company Meeting). At the reconvened Company Meeting, those Shareholders present in person or by proxy, irrespective of their number, shall constitute a quorum.

(d) Voting

Those entitled to receive notice of a Company Meeting (see above) are entitled to vote at it. Votes may be counted at a Company Meeting on a show of hands, though more commonly a poll is demanded. A poll may be demanded by the Chairman of the Company Meeting, the Depositary or two Shareholders present in person or by proxy. On a show of hands each Shareholder present in person or by proxy or (in the case of a Shareholder which is a corporation) represented by an authorised representative shall have one vote (irrespective of the number or value of his/its Shares). On a poll, each Shareholder (whether present in person or by proxy) shall have one vote for every unit of value in the property of the Company represented by the Shares which he/it holds (smaller denomination Shares representing 0.001 of a unit of value for these purposes). Where two or more persons are jointly registered as Shareholders, the vote of the first named Shareholder (or his proxy) as shown in the Register of Shareholders shall be accepted to the exclusion of the other joint holder(s).

(e) Class Meetings

A Class Meeting shall have power to consider an Extraordinary Resolution proposed for the purpose of amending the investment objectives of that Class. In general, rights which are specific to a given Class cannot be varied other than with the sanction of the holders of Shares of that Class, given through the passing of an appropriate form of resolution considered at a Class Meeting. The description given above for the giving of notice, conduct of the Meeting, quorum, voting and adjournment apply (modified as necessary) to Class Meetings.

(f) Rights of the ACD and its associates

The ACD may attend any Meeting, but is not entitled to count in the quorum, nor to vote in respect of any Shares to which it is beneficially entitled (for the purpose of Meetings attended by the ACD, such Shares are treated as not being in issue). Associates of the ACD may attend and be counted in the quorum for a Meeting, but are subject to the same restrictions as the ACD with respect to voting. The ACD and associates of the ACD may exercise votes at Meetings in respect of Shares which they hold beneficially for third parties from whom they have received appropriate voting instructions.

2.5 Winding-up, termination, amalgamation and reconstruction

(a) When the Company may be wound up

The Company as a whole may be wound up under the terms of the Sourcebook, or as an unregistered company pursuant to Part V Insolvency Act 1986. Winding-up pursuant to the Sourcebook will take place upon:

- (i) the passing of an Extraordinary Resolution of the Company:
 - (A) approving the amalgamation of the Company with another regulated collective investment scheme or its reconstruction; or
 - (B) sanctioning the winding-up of the Company; or
- (ii) the Authority agreeing to a request received from the ACD seeking a revocation of the Company's authorisation order,

and in either case the ACD has filed with the Authority a solvency statement stating that the liabilities of the Company will be met within 12 months of the date of such statement.

(b) Winding-up arrangements

On the occurrence of any of the above:

- (i) Rule 6.2 (*Dealing*), Rule 6.3 (*Valuation and pricing*) and Chapter 5 (*Investment and borrowing powers*) of the Sourcebook will cease to apply to the Company or the particular Fund;
- (ii) the Company will cease to issue and cancel Shares in the Company or the particular Fund and the ACD shall cease to sell or redeem Shares or arrange for the Company to issue or cancel them for the Company or the particular Fund;
- (iii) no transfer of a Share shall be registered and no other change to the register will be made without the sanction of the ACD;
- (iv) where the Company is being wound up, the Company will cease to carry on its business except insofar as it is beneficial for the winding-up of the Company; and
- (v) the corporate status and powers of the Company and, subject to the preceding provision of (i) and (iv) above, the powers of the ACD will remain until the Company is dissolved.

The ACD shall, as soon as practicable after the Company falls to be wound up, administer the realisation of the property of the Company and, after paying out all liabilities properly so payable and retaining provision for the costs of winding-up, shall direct the Depositary as to the distribution of the remaining proceeds to the Shareholders (including itself if a Shareholder) in proportion to their holdings in the Company.

The ACD shall publish notice of the commencement of the winding-up of the Company in the London Gazette. If the ACD has not previously notified Shareholders of the proposal to wind-up the Company, the ACD shall, as soon as practicable after the commencement of winding-up of the Company, give written notice to Shareholders. When the ACD has caused all of the scheme property and all of the liabilities of the Company to be realised, the ACD will arrange for the Depositary to make a final distribution to Shareholders on or prior to the date on which the final account is sent to Shareholders of any balance remaining, in proportion to their holdings in the Company.

As soon as reasonably practicable after completion of the winding-up of the Company, the ACD will notify the Authority that it has done so.

On completion of a winding-up of the Company, the Company will be dissolved.

Following the completion of a winding-up of the Company, the ACD must prepare a final account showing how the winding-up took place and how the scheme property was distributed. The auditors of the Company will make a report in respect of the final account stating their opinion as to whether the final account has been properly prepared. This final account and the auditors' report must be sent to the Authority and to each Shareholder.

(c) Amalgamation or reconstruction

In the case of an amalgamation or reconstruction pursuant to which all the property of the Company is intended to be transferred to be held subject to the terms of one or more other regulated collective investment schemes, the ACD will wind-up the Company in accordance with the terms of the amalgamation or reconstruction.

(d) Unclaimed proceeds

Any net proceeds or other cash of the winding-up of the Company unclaimed after the expiration of one month from the date on which the same became payable, will be paid by the Depositary

into court (subject to the Depositary having a right to retain therefrom any expenses incurred by it in making and relating to that payment).

(e) Termination of a Fund

Termination of a Fund may occur if:

- (i) the Shareholders of the Class(es) of Share representing that Fund pass an Extraordinary Resolution:
 - (A) approving the amalgamation or reconstruction of the Fund with another Fund, or with another regulated investment scheme (or a constituent part of such a scheme); or
 - (B) sanctioning the winding-up of the Fund; or
- (ii) the Authority agrees to a request from the ACD for the termination of that Fund (which the ACD may lodge in a number of circumstances, including where the NAV of the Fund has at any time after the first anniversary of the issue of Shares in the Fund fallen below £5 million),

and in either case the ACD has filed a solvency statement concerning the liabilities of the Fund with the Authority. Upon termination, the ACD shall wind-up the Fund in broadly the same fashion as applies to the winding-up of the Company as a whole (set out above).

3. VALUATION OF PROPERTY AND PRICING OF AND DEALING IN SHARES

3.1 Valuation of property

(a) Valuations

The property of each Fund is valued at its Valuation Points so as to calculate the NAV of the Fund and the NAV per Share. The normal Valuation Points for each Fund are stated in the Appendices, although there may be instances where the ACD carries out an extra valuation, for example, where required to do so in accordance with the Sourcebook. The ACD may at any time during a Business Day carry out an additional valuation if it is desirable to do so. The ACD shall inform the Depositary of any decision to carry out such additional valuation. The prices at which the ACD will create and cancel Shares will be recalculated accordingly and will be notified to the Depositary. The prices of all Shares are calculated on a single pricing basis.

(b) Valuation bases and assumptions

The property of each Fund is valued on the following bases.

- (i) Transferable securities are valued at their most recently quoted single price (or if bid and offer prices are quoted, at the arithmetic mean of these two). Units in collective investment schemes which operate on a pricing spread are valued at the mean of their most recent bid and offer prices (determined before charges are taken into account). The ACD has power to attribute what it considers to be a fair and reasonable price in the case of a security or unit for which no recent or reliable valuation or price exists.
- (ii) Other non-cash assets will be valued by the ACD on a fair and reasonable basis.
- (iii) Cash, near cash and cash deposits will be valued at their nominal values.
- (iv) Contingent liability transactions will be valued using a method agreed between the ACD and the Depositary, provided it has the following characteristics, namely that: written options will be valued net of premium receivable; off-exchange futures will be valued at the net value upon close-out; and other transactions will be valued at the net value of margin upon closing out.

- (v) Fiscal and other charges paid or payable upon acquisition or disposal of an asset shall be discounted in determining its value.
- (vi) Estimated taxes due, outstanding borrowings (and accrued interest) and other estimated liabilities are deducted.
- (vii) Estimated tax refunds or rebates due and interest due on deposits remaining unpaid are added back.
- (viii) Set-up costs will not be reimbursed out of Fund property.
- (ix) Assets in a Fund which it has been agreed are to be sold but have not been transferred to the purchaser are deemed to have been disposed of, and assets which it has been agreed are to be acquired for a Fund but which have not yet been delivered are deemed to form part of that Fund's property, for the purposes of valuation.
- (x) All instructions given to issue or redeem Shares shall be assumed to have been carried out (and any cash paid or received) whether or not this is the case.

(c) Issue and redemption prices of Shares

Shares of a given Class in each Fund are issued and redeemed at a single price, which is calculated by:

- (i) taking the proportion of the value of that Fund's property (ascertained as above) attributable to that Class; and
- (ii) dividing it by the number of Shares of that Class in issue in that Fund immediately prior to the valuation.

The price for the issue or redemption of a smaller denomination Share of any given Class will therefore be one thousandth of the price determined as above for a regular Share in that Class.

(d) Dilution adjustment

The basis on which the Company's investments are valued for the purpose of calculating the dealing price of Shares as required in the Sourcebook and the Company's instrument of incorporation is documented in Paragraph 3.1 (*Valuation of property*) of Part 1. However, the actual cost of purchasing or selling assets and investments for the Company's portfolio may deviate from the mid-market value used in calculating the price of Shares, due to dealing charges, taxes, and any spread between buying and selling prices of the investments. These costs have an adverse effect on the value of the Fund, known as "dilution". The

Authority's rules allow the cost of dilution to be met directly from the Fund's assets or to be recovered from investors on the purchase or redemption of Shares in a Fund.

To mitigate the effects of dilution, the ACD has discretion to make a dilution adjustment on the purchase or redemption of Shares in a Fund. A dilution adjustment is an adjustment to the price of Shares in a Fund.

The ACD's policy for each Fund is to apply a dilution adjustment whenever there are net inflows or net outflows at or above the threshold stated in its Appendix. The maximum range of dilution adjustment for each Fund is up to 2% of NAV per Share when the Fund is expanding (and therefore on an offer basis) and up to 1.5% of NAV per Share when the Fund is contracting (and therefore on a bid basis).

As dilution is directly related to the inflows and outflows of monies from the Fund concerned, it is not possible to predict accurately whether dilution will occur at any future point in time. Consequently, it is also not possible to predict accurately how frequently the ACD will need to make such a dilution adjustment. If a dilution adjustment is applied because of net inflows into a Fund, this will increase the price per Share. If a dilution adjustment is applied because of net outflows from a Fund, this will decrease the price per Share. On the occasions when the dilution adjustment is not applied there may be an adverse impact on the total assets of the Fund.

(e) Stamp Duty Reserve Tax ("**SDRT**")

HM Treasury regulations require a 0.5% SDRT charge to be made on the value of Shares redeemed by the ACD and on certain other transfers of Shares. The HM Treasury regulations call these transactions "**surrenders**". SDRT liability is calculated taking into account the value of surrenders and the value of Shares issued in a week and the following week.

This charge will be reduced if:

- (i) the value of surrenders is greater than the number of Shares issued; or
- (ii) a proportion of the assets of the Fund are exempt from stamp duty and SDRT.

Liability to SDRT does not arise when:

- (i) the Fund does not issue any Shares during the period; or

- (ii) the Fund is totally invested in assets that are exempt from stamp duty and SDRT.

A SDRT charge may have an adverse effect on the value of the Fund. The Authority's rules allow the cost of SDRT to be met directly from the Fund's assets or to be recovered from investors on the purchase or redemption of Shares in a Fund.

It is unlikely that an SDRT provision will be imposed in relation to purchases or redemptions of shares in a Fund. Any SDRT becoming due as a result of investor redemptions will therefore be borne by the Fund. However, with effect from 1 November 2011 the ACD reserves the right to require the payment of an SDRT provision (up to a maximum of 0.5% of the value of shares involved in the transaction) whenever it considers that circumstances have arisen which make such imposition fair to all Shareholders and potential Shareholders.

3.2 Grouping for equalisation

The Instrument permits grouping for equalisation. The price of a Share includes an **"equalisation amount"**, which represents the ACD's best estimate of income accrued to that Share (or to Shares of the same type) since the last income allocation date for the Fund in question. That equalisation amount, although calculated with respect to allocation of that Fund's income, is capital in nature. Therefore:

- (a) with respect to a Share issued, the equalisation amount will affect the capital value at which the Shareholder acquired it for capital gains taxation purposes; and
- (b) with respect to a Share redeemed, the equalisation amount affects the price at which the Share was redeemed for capital gains taxation purposes.

The ACD will operate real-time equalisation (i.e. the equalisation refunded will be the actual amount of income included in the purchase price).

3.3 Minimum investment and holding

The following provisions apply in relation to minimum initial and subsequent investment in, and to redemption of, Shares in each Fund:

- (a) the Appendices prescribes minimum lump sum amounts which an investor must commit when applying to subscribe for Shares in any Fund for the first time (hereinafter referred as the **"Minimum Amount"**) not inclusive of the appropriate preliminary charge; and

- (b) other than where a Shareholder wishes to redeem his entire holding of Shares, the ACD reserves the right to refuse to process a redemption request if the Shareholder holds Shares of an aggregate value less than the Minimum Amount for the Fund or Class in question, or would do so following implementation of the redemption. If the ACD refuses to process a redemption request on this ground, it will notify the Shareholder as soon as is reasonably practicable after receiving that request. In this event, the ACD may require the Shareholder to redeem his entire holding in that Class of Share in the relevant Fund.

However, the ACD may, at its discretion, agree on an individual basis a lower amount in relation to minimum transaction sizes and holdings.

3.4 Issue and redemption of Shares

- (a) When can Shares be issued and redeemed

The ACD will accept orders to buy or sell Shares on any Business Day between 9.00 a.m. and 5.00 p.m. Orders may be placed by telephone call or sent in writing to:

Majedie Asset Management Limited
PO Box 23543, Edinburgh EH7 5YZ
Tel: 0844 8920974

Applications for the purchase (issue) or sale (redemption) of Shares will be acknowledged by a contract note, which will normally be despatched by the close of the Business Day following receipt of the application.

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

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

- (b) Compliance with money laundering regulations

When issuing and redeeming shares the ACD reserves the right to request such information as is necessary to verify the identity of the applicant.

In circumstances where an application to purchase Shares is received from a person who tenders payment in the name of another or who appears to the ACD to be acting in a representative capacity, the ACD reserves the right to require the applicant to furnish such further information as the ACD may require in order to establish the true and complete identity of the purchaser and shall be entitled to refrain from processing the application until all such further information has been received.

(c) Switching

A Shareholder in a Fund may at any time switch all or some of his Shares of one Class or Fund (the "**Original Shares**") for Shares of another Class or Fund (the "**New Shares**") in the Company. The number of New Shares issued will be determined by reference to the respective prices of New Shares and Original Shares at the Valuation Point applicable at the time the Original Shares are redeemed and the New Shares are issued.

Switches between Funds or between Classes may be effected either by telephoning the ACD on 0844 8920974 or by writing to the ACD and the Shareholder will be required to provide written instructions to the ACD (which, in the case of joint Shareholders must be signed by all the joint Shareholders) before switching is effected. Switching forms may be obtained from the ACD.

The ACD may at its discretion make a charge on the switching of Shares between Funds or between Classes. This charge will be based on a percentage of the value of the Shares being switched and will not exceed the prevailing preliminary charge of the receiving Fund.

If the switch would result in the Shareholder holding a number of Original Shares of a value which is less than the minimum holding in the Fund concerned, the ACD may, if it thinks fit, convert the whole of the applicant's holding of Original Shares to New Shares (and make a charge on switching on such conversion) or refuse to effect any switch of the Original Shares. The minimum holdings detailed in the Appendices do not apply to holdings of New Shares resulting from switches. No switch will be allowed during any period when the right of Shareholders to require the redemption of their Shares is suspended. Save as otherwise specifically set out, the general provisions on procedures relating to redemption will apply equally to a switch. A duly completed switching form must be received by the ACD before the Dealing Deadline in the Fund or Funds concerned to be dealt with at the next Valuation Point, or at such other date and time as may be approved by the ACD. Switching requests received after a Dealing Deadline will be

held over until the next Dealing Deadline in each of the relevant Classes of the Fund or Funds. Where the Funds concerned have different Dealing Deadlines a switching request will be applied in respect of the Original Shares at the Dealing Deadline applicable to them and in respect of the New Shares at the then next Dealing Deadline applicable to them.

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

Please note that a switch of Shares in one Fund for Shares in any other Fund is treated as a redemption of the Original Shares and a purchase of New Shares and will, for persons subject to UK taxation, be a realisation for the purposes of capital gains tax. The ACD understands that present HMRC practice is not to regard a switch between different Classes in the same Fund as giving rise to a disposal for the purposes of tax on capital gains.

A Shareholder who switches between Funds or Classes will in no circumstances be given a right by law to withdraw from or cancel the transaction.

(d) Forward basis for Share dealing

Dealing in Shares in each of the Funds takes place on a **"forward"** basis (i.e. any application to purchase or redeem Shares will typically be treated as effective as at the next Valuation Point following the receipt of that application).

(e) Pricing

A Share will be:

- (i) issued for a sum which cannot exceed the aggregate of:
 - (A) its price (determined as described above which may include a dilution adjustment);
 - (B) any applicable SDRT charge; and
 - (C) any charge the ACD makes for the issue of that Share; and
- (ii) redeemed for a sum which cannot be less than
 - (A) its price (determined as described above which may include a dilution adjustment), after deduction of

(B) any applicable SDRT charge,

other than where that Share is redeemed by the ACD pursuant to its powers of compulsory redemption contained in the Instrument (see Paragraph 3.5 (*Compulsory redemption*) of Part 1).

(f) Redemption in specie

If a Shareholder requests the redemption of Shares the ACD may, where it considers the deal to be substantial in relation to the total size of the Fund concerned or in some way disadvantageous or detrimental to the Fund, arrange, having given prior notice in writing to the Shareholder, that in place of payment of the price of the Shares in cash, the Company transfer relevant investments or, if required by the Shareholder, the net proceeds of sale of such investments, to the Shareholder. Before the redemption proceeds of the Shares become payable, the ACD must give written notice to the Shareholder that the relevant investments or the proceeds of sale of such investments are to be transferred to that Shareholder so that the Shareholder can receive the net proceeds of redemption rather than the investments if he so desires.

The ACD must serve its written notice before the close of business on the second Business Day following receipt of the request by a Shareholder to redeem Shares.

(g) The Shareholder then has until the close of business on the fourth Business Day following receipt of the written notice from the ACD to counter-notify the ACD to the effect that, instead of receiving a transfer of investments from the Fund in question, the Shareholder requires the ACD to realise such investments in the market and transfer to him the cash proceeds of such realisation.

(h) Publication of dealing prices

The most recent prices for all publicly available Classes of Share in each of the Funds will normally be published in the Financial Times daily and are available on request from the ACD.

(i) Settlement for purchases of Shares

Settlement for purchases of Shares (if not made at the time of the application to purchase them) will be due from the Shareholder not later than the fourth Business Day following the date on which the dealing in the Shares took place. The ACD is not obliged to issue Shares unless it has received cleared funds from or on behalf of the applicant.

(j) Settlement for redemptions of Shares

Payment due in respect of redemptions will be made, in accordance with the Sourcebook, not later than the close of business on the fourth Business Day after the Valuation Point occurring immediately following receipt by the ACD of all relevant documentation necessary to complete the redemption. It should be noted that the Manager is unable to accept renunciation of title by electronic means. Where specifically requested by a Shareholder (in which case he must provide the ACD with full details as appropriate) payments may be made by telegraphic transfer or other equivalent system. Payments will otherwise be made by means of a cheque or crossed warrant and will be sent by first class post (if in the UK) or airmail post (if to an overseas Shareholder). All payments (however despatched) are made at the Shareholder's sole risk.

3.5 Compulsory redemption

Under the Instrument, the ACD has the power compulsorily to redeem any Share which it believes to be held by or on behalf of a person who is ineligible as a Shareholder for any reason. A typical ground of ineligibility would be the residence or domicile of that person in, or his citizenship of, a country or territory in which it is unlawful for Shares to be promoted (whether generally or to that particular person). Where the ACD exercises its rights of compulsory redemption, the ACD may deduct from the proceeds of redemption an amount representing the extra cost to the Fund in question and to the Depositary of administering the compulsory redemption.

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

- (a) are owned directly or beneficially in breach of any law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory; or
- (b) would result in the Company incurring any liability to taxation which the Company would not be able to recoup itself or suffering any other adverse consequence (including a requirement to register under any securities or investment or similar laws or governmental regulation of any country or territory); or
- (c) are held in any manner by virtue of which the Shareholder or Shareholders in question is/are not qualified to hold such Shares or if it reasonably believes this to be the case;

the ACD may give notice to the Shareholder(s) of the Affected Shares requiring the transfer of such Shares to a person who is qualified or

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

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

Where a request in writing is given or deemed to be given for the redemption of Affected Shares, such redemption will be effected in the same manner as the redemption of non-Affected Shares.

3.6 Right to withdraw

An investor may be entitled to cancel (i.e. withdraw) an application to purchase Shares for a period of 14 days following receipt of a cancellation notice under the terms of Section 6.7 of the Authority's Conduct of Business Sourcebook and to request the return of money. Paragraph 7 (*General and miscellaneous*) of Part 1 also contains details of circumstances in which an investor has a right to cancel a purchase of Shares. If the investor has a right to cancel and exercises that right and the value of the investment has fallen before the ACD receives notice of the cancellation, then the amount of the refund that the investor receives will be reduced to reflect that fall in value.

3.7 Limited issue

The ACD may limit the issue of any class of Shares in a given Fund. Where the ACD has limited the issue of Shares in a given Fund, it may not provide for the further issue of Shares unless, at the time of the issue, it is satisfied on reasonable grounds that the proceeds of that subsequent issue can be invested without compromising that Fund's investment objective or materially prejudicing existing Shareholders. This power is given in accordance with, and subject to, Paragraph 6.2.18 of the Sourcebook.

3.8 Suspension of issues and redemptions

The ACD may agree with the Depositary to suspend the issue and redemption of Shares in a given Fund, or the Depositary may require the ACD to suspend such issues and redemptions, in circumstances where, due to exceptional circumstances, it is in the interests of Shareholders in that Fund for such dealings to be suspended (e.g. in circumstances where the ACD is unable to obtain reliable information on the prices of investments comprised within the property of the relevant Fund).

The ACD and the Depositary must ensure that any suspension is only allowed to continue for so long as it is justified having regard to the interests of the Shareholders and that the suspension is reviewed at least every 28 days.

Recalculation of the Share price for the purposes of purchases and redemptions will commence on the next relevant Valuation Point following the ending of the suspension.

3.9 Title to Shares and certificates

(a) Title

Title to Shares is evidenced by entries in the Register of Shareholders.

(b) Inspection of the register

The Register of Shareholders and any plan sub-registers maintained under Chapter 6.4 of the Sourcebook are kept by the Administrator as Registrar at 12 Blenheim Place, Edinburgh EH7 5ZR and may be inspected at that address during ordinary office hours. However, the Sourcebook provides that the Company has the right to close the Register of Shareholders to inspection for a maximum of 30 Business Days in any one year.

(c) Certificates

Certificates are not issued in respect of Shares in any of the Funds. Any Shareholder whose title to Shares is evidenced by an entry in the Register of Shareholders may apply to the ACD for a printed statement of the Shares which he holds.

4. CHARGES AND EXPENSES

4.1 ACD'S preliminary and periodic charges

(a) Preliminary charge

The price payable by an investor upon issue of a Share (other than where this is effected as part of a switch) may include a preliminary charge receivable by the ACD. The Appendices sets out details of the maximum rate of the preliminary charge (plus, where relevant, details of such lesser rate as currently applies) applicable to each Fund.

(b) Periodic charge

The Instrument provides for the ACD to be remunerated in respect of its services as director of the Company and manager of the property of each of the Funds. The ACD's periodic charge accrues daily based on the value of the property of the relevant Fund and is payable monthly in arrears on the last Business Day of the month.

Rates of periodic charge: the Appendices sets out details, in relation to each Fund, of the maximum rate of the ACD's periodic charge (plus, where relevant, details of such lesser rate as currently applies), and the basis upon which the periodic charge accrues and is paid.

Whether payable out of capital or income: the ACD has a discretion in relation to each accounting period to determine whether the periodic charge is debited entirely to the capital property or entirely to the income property of the Fund in question, or is divided between income and capital (and if so, in what proportions). It should be emphasised that debiting all or any part of the periodic charge for any given Fund to its capital account may increase the amount of income available for distribution to Shareholders in that Fund but is also likely to constrain capital growth. The Sourcebook permits (in relation to any Fund) the periodic charge to be paid out of the capital of a Fund. The Appendices indicate the decision that has been made in relation to each Fund (in accordance with the investment objective of the relevant Fund). The ACD is also entitled to recover out of the property of the Company all reasonable and properly evidenced out-of-pocket expenses incurred in the performance of its duties.

4.2 Performance Fee

In addition to the periodic charge, a performance fee (the "**Performance Fee**") may be payable to the ACD in respect of Share Classes which are designated in the relevant Fund Appendix as "**Performance Fee Share Classes**". The Performance Fee becomes due in the event that the NAV per Share of the relevant Share Class (after allowance for all fees, charges and expenses, but excluding any preliminary charge or dilution adjustment) outperforms the performance benchmark for the relevant Share Class over the relevant performance period. The Performance Fee will be calculated using the NAV per Share before accrual for any Performance Fee and after adding back any income earned and distributed during such performance period. The Performance Fee accrual will never fall below zero.

The Performance Fee is calculated based upon the performance of the relevant Performance Fee Share Class (the "**Share Class Performance**") over the benchmark/hurdle rate (the "**Performance Target**"), multiplied by the weighted average number of Shares of the Class in issue throughout the Performance Period, where:

- (a) The Share Class Performance is the difference between the opening NAV per Share on the first Dealing Day of the performance period and the closing NAV per Share on the last Dealing Day of the performance period (after allowance for all fees, charges, and dividend distributions, but excluding any preliminary charge or dilution adjustment);
- (b) The Performance Target is as stated in the relevant Fund Appendix;
- (c) The weighted average number of Shares of the relevant Class in issue is calculated as the total number of Shares of the relevant Class in issue on each Dealing Day, added to the same calculation for each previous Dealing Day in the performance period, together divided by the number of Dealing Days in such performance period; and
- (d) The Performance Period is as stated in the relevant Fund Appendix, except that the first Performance Period for each Performance Fee Share Class commences on the launch date of that Performance Fee Share Class and will end on the next following Performance Period End Date. Performance periods are automatically lengthened if Share Class Performance is below the Performance Target, to ensure that investors benefit from the recapture of underperformance before Performance Fee accruals recommence (see "**High Water Mark**" below). Any Performance Period will end immediately if the Company, the relevant Fund or

Share Class (in the case of that Fund or Share Class only) is wound up or the ACD Agreement terminates.

The rate of Performance Fee applicable to each Performance Fee Share Class (the "**Performance Fee Rate**") is set out in the relevant Fund Appendix. It is important to note that there is no maximum performance fee that could be paid out of the Funds, as it is impossible to quantify performance in advance. While the ACD is entitled to receive the proportion of outperformance at the applicable Performance Fee Rate of any Performance Fee Share Class (e.g. 20%), investors will benefit from the remainder of such outperformance (e.g. 80%).

Once a Performance Fee crystallises, any subsequent underperformance will not result in any Performance Fee being repayable by the ACD. If at the end of a Performance Period the Share Class Performance is less than the Target Performance, no Performance Fee will be payable to the ACD. Furthermore, such underperformance needs to be recaptured in future performance periods before a new performance fee accrual will commence (the "High Water Mark"). In practice this is achieved by extending the Performance Period backwards to the date at which a Performance Fee for that Performance Fee Share Class last crystallised, and retaining the opening Share Class NAV per Share and Benchmark levels at that date for the purposes of Performance Fee calculation. For the Tortoise Fund, if a Performance Period is extended then the Performance Target will be proportionally increased. For example, the Performance Target over a two year Performance Period would be 10.25% (105% multiplied by 105%) as demonstrated below in the Worked Examples Periods 3 and 4.

The daily published NAV per Share of any Performance Fee Share Class will include an accrual for any Performance Fee accrued from the commencement of the relevant performance period up to the relevant Valuation Point. As the Performance Fee accrues on an ongoing daily basis and is included within the daily published NAV per Share, at the end of a Performance Period the published NAV per Share is not subject to a one-off Performance Fee adjustment relating to the whole Performance Period.

Since the NAV per Share may differ between different Share Classes within each Fund, separate Performance Fee calculations will be carried out for each Performance Fee Share Class and each Performance Fee Share Class may therefore be subject to different amounts of Performance Fee.

Any Performance Fee payable to the ACD is based on net realised and net unrealised gains and losses at the end of each calculation period and as a result, the Performance Fee may be paid on unrealised gains which may subsequently never be realised. Since the Performance Fee

is based on outperformance of a designated Benchmark Index, a Performance Fee may be charged where a NAV per Share has fallen but to a lesser extent than the Benchmark Index.

If a Benchmark Index ceases to be produced or in the ACD's opinion to be suitable, the Benchmark Index shall be such replacement index or indices as the Company, with the approval of the Depositary, may determine. In any other case, the ACD shall be entitled to change the Benchmark Index for a Performance Fee Share Class only with the prior approval by way of an extraordinary resolution of the Shareholders of the relevant Performance Fee Share Class.

Performance Fee computations are made by the Administrator and audited at the end of each annual accounting period by the Auditor of the Company. The Company may make such adjustments of accruals as it deems appropriate to ensure that the accrual represents fairly and accurately the Performance Fee liability that may eventually be payable by the Fund or Share Class to the ACD. Any change to the Performance Fee Rate or basis on which it is calculated will require prior notice to all Shareholders of the relevant Performance Fee Share Class of not less than 60 days before the new rate or basis may commence. Any increase in the Performance Fee Rate applicable to a Performance Fee Share Class will also require prior approval by way of an ordinary resolution of the Shareholders of the relevant Share Class.

WORKED EXAMPLES

To illustrate the effect that the Performance Fee might have on the NAV per Share, examples of four theoretical performance periods are shown below. These examples are provided for illustrative purposes only and should not be interpreted as an indication of future performance.

Investors should note that the examples below are included so that they may understand the methodology of the Performance Fee calculation. They are not intended to provide an exact calculation of the amount of Performance Fee payable to the ACD since this will depend upon the weighted average number of Shares in issue throughout the relevant performance period.

In addition, and as outlined above, the Performance Fee accrues on an ongoing daily basis and is included within the daily published NAV per Share. Accordingly, at the end of a Performance Period, the published NAV per Share is not subject to a one-off Performance Fee adjustment relating to the whole Performance Period.

It should be noted that the Performance Target for the Majedie Tortoise Fund is a 5% annual increase, so the Benchmark Performance scenarios in the illustrative examples for Period 1 and Period 2 below are not applicable. Period 3 and Period 4 scenarios provide examples of how

the Performance Fee mechanism applies in Performance Periods of underperformance or outperformance when compared to the Performance Target.

Period 1 - 1st October 2012 to 30th September 2013

For illustrative purposes, the performance period commences on 1st October 2012 with an assumed NAV per Share of 100.00p and a benchmark level of 1000.

Between 1st October 2012 and 30th September 2013, the Benchmark Index goes up by 10% to 1100. In the same period, the NAV per Share of the relevant Performance Fee Share Class goes up by 15% from 100.00p to 115.00p per Share. A Performance Fee will be payable because the Performance Fee Share Class has outperformed the Benchmark Index over the Performance Period.

The Performance Fee is based upon the performance of the relevant Performance Fee Share Class less the performance of the Benchmark Index i.e. 15% less 10% = +5%. The Performance Fee per Share is calculated by multiplying the outperformance in the relevant NAV per Share over the Benchmark Index (100p x 5% = 5p) by the Performance Fee Rate (20%) i.e. 1p per Share. The total Performance Fee payable to the ACD is calculated by multiplying the Performance Fee per Share (1p) by the weighted average number of Shares in the relevant Performance Fee Share Class in issue over the Performance Period.

On 30th September 2013 (the last day of the Performance Period), the NAV per Share, before deduction of any Performance Fee is 115.00p and the NAV per Share after deduction of the Performance Fee is 114.00p (115p less 1p). The NAV per Share after deduction of the Performance Fee will be the opening NAV per Share for the second Performance Period. The benchmark level for Performance Fee calculation will be reset to 1100, being the benchmark level at the most recent Performance Fee crystallisation date (30th September 2013).

Period 2 - 1st October 2013 to 30th September 2014

For the second Performance Period, commencing 1st October 2013, the opening NAV per Share for that Performance Period will be 114p. Between 1st October 2013 and 30th September 2014, the Benchmark Index goes down by 20% to 880. In the same period, the NAV per Share of the relevant Performance Fee Share Class goes down by 10% from 114p to 102.60p. A Performance Fee will be payable as the Performance Fee Share Class has outperformed the Benchmark Index over the Performance Period.

The Performance Fee is based upon the performance of the relevant Performance Fee Share Class less the performance of the Benchmark

Index i.e. -10% less -20% = $+10\%$. The Performance Fee per Share is calculated by multiplying the outperformance in the relevant NAV per Share over the Benchmark Index ($114.00\text{p} \times 10\%$ = 11.40p) by the Performance Fee Rate (20%) i.e. 2.28p per Share. The total Performance Fee payable to the ACD is calculated by multiplying the Performance Fee per Share (2.28p) by the weighted average number of Shares in the relevant Performance Fee Share Class in issue over the Performance Period.

On 30th September 2014, the NAV per Share, before deduction of any Performance Fee is 102.60p . The NAV per Share on 30th September 2014 (the last day of the performance period) after deduction of the Performance Fee is $102.60\text{p} - 2.28\text{p} = 100.32\text{p}$. This will be the opening NAV per Share for the third performance period. The benchmark level for performance fee calculation will be reset to 880, being the benchmark level at the most recent performance fee crystallisation date (30th September 2014).

Period 3 - 1st October 2014 to 30th September 2015

For the third Performance Period commencing 1st October 2014, the opening NAV per Share will be 100.32p .

Between 1st October 2014 and 30th September 2015, the Benchmark Index goes up by 5% , from 880.00 to 924.00 . In the same period, the NAV per Share of the relevant Class goes up by 3% from 100.32p to 103.33p . In this example, no Performance Fee will be payable since the relevant Share Class has underperformed the Benchmark Index by 2% (3% less 5% = -2%).

On 30th September 2015, the NAV per Share, before deduction of any Performance Fee is 103.33p . As no Performance Fee crystallises, the NAV per Share on 30th September 2015 of 103.33p will become the opening value for the fourth Performance Fee.

The benchmark level for the Performance Fee calculation will not be reset, but will remain at 880, being the benchmark level at the most recent Performance Fee crystallisation date (30th September 2014). Similarly, the NAV per Share for Performance Fee calculation will remain at 100.32p .

Period 4 - 1st October 2015 to 30th September 2016

For the fourth Performance Period, commencing on 1st October 2015, the opening NAV per Share will be 103.33p . As explained above, as no Performance Fee crystallised with respect to Period 3, the opening values for the Performance Fee calculation will be based on the NAV and benchmark levels as at the start of Period 3, being 100.32p and 880.00 respectively.

Between 1st October 2015 and 30th September 2016, the Benchmark Index goes up by 5%, from 924 to 970.20, resulting in cumulative Benchmark Performance since the previous Performance Fee crystallisation date of +10.25% (880.00 to 970.20). The NAV per Share of the relevant Class at 30th September 2016 goes up by 10% from 103.33p to 113.66p, resulting in cumulative NAV performance since the previous Performance Fee crystallisation date of +13.30% (100.32p to 113.66p). A Performance Fee will be payable as the Performance Fee Share Class has outperformed the Benchmark Index over the Performance Period.

The Performance Fee is based upon the performance of the Performance Fee Share Class less the performance of the Benchmark Index i.e. $13.30\% - 10.25\% = 3.05\%$. The Performance Fee per Share is calculated by multiplying the outperformance in the relevant NAV per Share over the Benchmark Index ($100.32p \times 3.05\% = 3.06p$) by the Performance Fee Rate (20%) i.e. 0.61p per Share. The total Performance Fee payable to the ACD is calculated by multiplying the Performance Fee per Share (0.61p) by the weighted average number of Shares in the relevant Performance Fee Share Class in issue over the Performance Period.

On 30th September 2016, the NAV per Share, before deduction of any Performance Fee is 113.66p. The NAV per Share on 30th September 2016 (the last day of the performance period) after deduction of the Performance Fee is 113.66p less 0.61p = 113.05p. This will be the opening NAV per Share for the following Performance Period. The Benchmark level for the Performance Fee calculation will be reset to 970.20, being the benchmark level at the most recent Performance Fee crystallisation date (30th September 2016).

4.3 Large net creation or cancellation of Shares

The use of the weighted average number of Shares in the calculation of the Performance Fee can lead to instability in the Share Price calculation if there is a large net creation or cancellation of Shares in a Performance Fee Share Class in the period between one Valuation Point and the following Valuation Point ("**Valuation Period**").

To mitigate the effects that a large net creation of Shares may have on the calculation of the NAV of the relevant Performance Fee Share Class, the ACD reserves the right to restrict creations of a particular Performance Fee Share Class if it believes, in its sole discretion, that such creations may result in disproportionate instability in the Share Price calculation to the detriment of existing Shareholders of that Performance Fee Share Class.

To mitigate the effects that a large net cancellation of Shares may have on the calculation of the NAV of the relevant Performance Fee Share

Class, the Performance Fees accrued at the redemption date will crystallise immediately, and shall become payable to the ACD as soon as reasonably practicable after determination by the Administrator. The number of Shares in the relevant Performance Fee Share Class cancelled will be removed from the calculation of the weighted average number of Shares for all days in the Performance Period. For the avoidance of doubt, Performance Fees will only crystallise on those Shares being redeemed. Performance Fee accruals will remain in place for continuing investors and will only crystallise if still valid at end of the Performance Period. A large net cancellation of Shares is defined for these purposes as a net cancellation of Shares in a Performance Fee Share Class having a value of 1 per cent or more of the relevant Share Class NAV, whether at the request of a single Shareholder or of a number of Shareholders.

Worked Example

Assume that on a Valuation Date/Dealing Date, a Performance Fee Share Class has 100 million Shares in issue and that the published NAV per Share is 108p, representing an NAV per Share before deduction of any Performance Fee of 110p, and a Performance Fee accrual of 2p per Share. The published NAV of the Share Class would be £108 million, based on a NAV (before deduction of Performance Fees) of £110 million and a Performance Fee accrual of £2 million.

Next assume that a large net cancellation of 10 million Shares is received. In these circumstances, the redeeming investor would receive 108p per Share. The 2p per Share Performance Fee accrual on the cancelled Shares would crystallise, with £0.2 million being paid to the ACD. The £1.8m remaining Performance Fee accrual applies only to the remaining 90 million Shareholders. As such, the Performance Fee accrual of 2p per Share and the published NAV per Share of 108p remain unchanged.

If this arrangement for large cancellations had not been in place, the redeeming investor would still have received proceeds based on the published NAV of 108p per Share. However, since the Performance Fee accrual is based on the weighted average number of Shares in the Performance Fee Share Class (where the weighted average after the large cancellation would be significantly higher than the actual number of Shares in issue) an artificially large Performance Fee could accrue, to the benefit of the ACD and the detriment of the remaining investors.

4.4 Charge on redemption

Upon redemption of a Share, the ACD is entitled to deduct a redemption charge from the proceeds of redemption. The Appendices sets out details of the maximum rate of the redemption charge in relation to

each Fund (plus, where relevant, details of such lesser rate or rates as currently apply).

4.5 VAT

Under present UK regulations, all of the above charges are exempt from VAT.

4.6 Modification of rates

Special conditions apply if the ACD wishes to increase the prevailing rate of any of the above charges:

(a) If the ACD wishes to increase any of these charges from its present rate to a rate not in excess of the maximum rate for the charge in question stipulated in the Appendices of this Prospectus, the ACD is required to serve written notice of not less than 60 days of the proposed increase. This notice is to be served:

(A) in the case of increases to the preliminary charge, on persons whom the ACD ought reasonably to be aware are regularly purchasing Shares in the Fund in question; and

(B) in all other cases, on Shareholders in the Fund in question

The increase may then take effect from the expiry of the 60-day notice period.

(b) If the ACD wishes to increase any of these charges to a rate in excess of the maximum rate for the charge in question stipulated in the Appendices of this Prospectus, the ACD must propose such an increase in the form of an Extraordinary Resolution of Shareholders in the relevant Fund at a duly convened Class Meeting. Only if such resolution is passed may the increase take effect.

4.7 Depositary's charges and expenses

As payment for the services it performs, the Depositary is entitled to receive a fee out of the scheme property of the Company (plus VAT). The remuneration is an annual fee, calculated on the mid-market value of each Fund. It accrues daily and is payable monthly in arrears. The fee for each Fund is currently 0.03% (three basis points) per annum on the first £100 million and 0.02% (two basis points) per annum on the balance over £100 million. The ACD and the Depositary may determine these rates from time to time, subject to 60 days' notice of any increase.

(a) Reimbursement of expenses

The Depositary is also entitled to be reimbursed out of the property of the Company its expenses properly incurred in performing duties imposed (or exercising powers conferred) upon it by the Sourcebook. Expenses of the Depositary which are attributable to a given Fund will be borne by that Fund. Expenses attributable to the Company as a whole will be paid out of such Funds and in such proportions as the ACD may determine. Those duties include:

- (i) dealing with, and custody of, assets of each Fund (including effecting foreign currency and efficient portfolio management transactions, insurance of documents, and effecting borrowings). This will include in particular all charges imposed by, and any expenses of, any agents appointed by the Depositary to assist in the discharge of its duties;
- (ii) submission of tax returns;
- (iii) handling of tax claims;
- (iv) preparing its annual report of the Depositary to the Shareholders of the Company in the annual accounts of the Company;
- (v) supervision of certain of the ACD's activities;
- (vi) functions in relation to Meetings;
- (vii) all charges and expenses incurred in connection with the collection and distribution of income;
- (viii) all charges and expenses incurred in relation to stocklending; and
- (ix) other duties imposed upon the Depositary by the Sourcebook or the general law.

In circumstances where any of the above categories of expense represent payments intended to reimburse any third party to whom the Depositary has delegated any of its functions (e.g. fees of sub-custodians), the Company may make such payments to the Depositary for the account of such third party or to such third party directly (as the Depositary may direct).

4.8 Custody

Custody services for the Funds are provided by The Bank of New York Mellon (the "**Custodian**") to which the Depositary has delegated the provision of custody services. The ACD is responsible for payment of the Custodian's remuneration.

4.9 Other charges and expenses

In addition to the ACD's and Depositary's fees and expenses, any further classes of fee, cost or expense permitted to be paid out of the property of an open-ended investment company in accordance with the Sourcebook shall be so paid.

The following specific classes of expense may be paid by the Company (and where relevant, out of the property of the Fund in relation to which they have been incurred):

- (a) formation expenses of the Company and each Fund.
- (b) Investment and borrowing costs and expenses:
 - (i) the cost of investments acquired by each Fund;
 - (ii) brokers' commissions, fiscal charges and other disbursements which are necessarily incurred in effecting transactions for each Fund. In particular, Majedie Asset Management Limited has entered into commission sharing arrangements with a number of brokers such that brokerage commission on the purchase and sale of securities may be shared with intermediaries who provide ancillary services. Such arrangements apply to all of Majedie's clients and are not exclusive to the Company; and
 - (iii) interest on permitted borrowings and charges incurred in effecting or terminating or negotiating or varying the terms of such borrowings.
- (c) Costs associated with the issue and redemption of Shares, distributions etc.:
 - (i) taxation and duties payable in respect of the Company or the issue of Shares;
 - (ii) the net proceeds of redemption of Shares (after deduction of redemption charges etc.); and
 - (iii) costs incurred in the production and despatch of dividends and distributions to Shareholders.

- (d) Regulatory registration fees etc.:
 - (i) the fees of the Authority under the Act and the Sourcebook;
 - (ii) periodic fees of any regulatory authority in a country or territory outside the UK in which Shares are or may be marketed;
 - (iii) costs associated with the admission of Shares to listing on an exchange and with the maintenance of that listing (including, for the avoidance of doubt, the fees levied by the exchange in question as a condition of the admission to listing of the Shares and the periodic renewal of that listing, the cost of printing prospectus documentation therefore, and the cost of any creation, conversion or cancellation of Shares associated with it); and
 - (iv) fees payable to the Registrar of Companies in relation to the filing of any details concerning the Company with the Registrar of Companies in accordance with the provisions of the ICVC Regulations.
- (e) Costs of, and arising from, Meetings etc.:
 - (i) any costs incurred in modifying the Instrument or this Prospectus, including costs incurred in respect of Meetings convened to sanction an appropriate resolution;
 - (ii) any costs incurred in respect of Meetings, whether convened by the ACD or on a requisition by Shareholders other than the ACD or its associates; and
 - (iii) certain liabilities of any collective investment scheme which has amalgamated with the Company if the relevant liabilities arose after the amalgamation.
- (f) Expenses of service providers to the Company:
 - (i) the expenses of any person engaged by the ACD to assist it in the discharge of the ACD's duties as administrator of the Company (including expenses arising out of periodic valuations of the property of the Company, administration of Share dealing services, maintenance of registers of Shareholders and such other matters as may be agreed between the ACD and the administrator(s) in question); and
 - (ii) expenses from time to time payable to any person engaged by the ACD to provide it with investment advisory services.

- (g) Professional third party costs:
 - (i) the audit fees properly payable and the proper expenses of the Auditors (plus VAT).
 - (ii) fees, disbursements and proper expenses (plus VAT) of the Company's legal or other professional advisers in relation to advice sought by the Company (or by the ACD on the Company's behalf) as to any matter concerning the proper conduct of the Company's affairs and compliance with the Sourcebook or with the law relating to the affairs of the Company in any jurisdiction outside the UK; and
 - (iii) fees of investment advisers and sub-advisers in relation to the Company.
- (h) Costs associated with the corporate functioning and governance of the Company:
 - (i) costs associated with the corporate secretarial operations of the Company (including provision of minute books and other corporate documentation); and
 - (ii) any costs incurred in relation to insurance policies taken out in relation to the Company, each Fund and the ACD and in relation to renewal of any such policies from time to time.
- (i) Expenses in connection with this Prospectus and reports:
 - (i) the cost of preparation, production, printing and despatch of this Prospectus, including reprints and printing of future editions;
 - (ii) the cost of preparation, production, printing and despatch of annual and other periodic reports sent to Shareholders; and
 - (iii) costs incurred in the publication (including publication on any internet website) and circulation of the price of and NAV of Shares of any Class from time to time.

The Company (or the Fund to which the payment relates) will also be responsible for payment of VAT and any other relevant tax or imposition that relates to each and every such category of cost, fee, expense or payment identified above.

4.10 Allocation of charges and expenses between Funds

Expenses will be charged to the Fund in respect of which they are incurred or, where an expense is considered by the ACD not to be attributable to any one Fund the expense will normally be allocated on a pro-rata basis according to the NAV of the relevant Funds. In the case of audit fees however, the cost is split equally between the sub-funds.

5. TAXATION

General Warning: the following paragraphs are only intended as a brief summary of the relevant taxation provisions affecting the Company and investors or potential investors in the Company resident for tax purposes in the UK. They are based on the taxation regime applicable in the UK as at the date of preparation of this Prospectus. These paragraphs do not constitute tax advice. Prospective investors in the Company requiring further information as to the relevant tax provisions or requiring to establish the accuracy of the information concerning taxation contained in this Prospectus at any particular time, or otherwise in doubt and therefore seeking clarification as to their individual tax position, should consult their own tax advisers.

5.1 Taxation of the Company

The Funds are sub-funds of an open-ended investment company to which the Authorised Investment Fund (Tax) Regulations 2006 apply. Each Fund will be treated as a separate entity for UK tax purposes.

(a) Income

Income received by the Company is normally subject to UK corporation tax at the applicable rate of 20% net of management expenses.

(b) Chargeable gains

The Company is exempt from UK tax on chargeable gains.

5.2 Taxation of a Shareholder in the Company

(a) Income

Distributions, including deemed distributions reinvested in Accumulation Shares, can be credited to a Shareholder either as a dividend or, in certain circumstances, as an interest distribution.

Each Fund will make dividend distributions except where in relation to a given distribution period over 60% of its property has been invested throughout the distribution period in interest-paying investments, in which case it will make interest distributions.

- (i) Distributions which are characterised as dividends comprise income for UK tax purposes and will carry a tax credit equal to 10% of the gross dividend, which is one ninth of the net dividend. Shareholders will be notified of the tax credit associated with any such distribution.

- (A) UK resident individuals and certain other Shareholders liable to UK income tax are taxable on the sum of the distribution and associated tax credit. Basic rate and lower rate income tax payers will have no further liability to income tax on such distributions. Higher rate taxpayers will have an additional liability to income tax, currently of 25% of the net dividend or accumulation. Additional rate taxpayers will have an additional liability to income tax, currently of 36.1% of the net dividend or accumulation. Tax credits will not be repayable to Shareholders with no tax liability.

For Shareholders liable to UK corporation tax, the distribution and associated tax credit will be treated as franked investment income to the extent that the gross income from which the distribution is derived is itself franked investment income (that is, exempt dividends received from UK or non-UK companies). In these circumstances, the distribution will be treated in the same way as a dividend from a UK resident company. As such, a Shareholder within the charge to corporation tax will not generally be charged to corporation tax on that part. Where the gross income from which the distribution is made is not wholly franked investment income, part of the distribution is treated as an annual payment from which income tax at the current rate of 20% has been deducted and such Shareholders will be subject to corporation tax on the grossed-up amount of the annual payment but will be entitled to a credit for the tax treated as already paid.

- (B) Non-UK resident Shareholders will generally not be entitled to reclaim any part of the tax credit on the dividend distribution from HM Revenue & Customs although it will normally satisfy their UK tax liability on that income. They may also be able to offset the tax credit against their liability to tax in their own country.
- (ii) Interest distributions are paid net of income tax deducted at source (currently at the rate of 20%) except as described below:
 - (A) Basic rate individual taxpayers will have no further liability to income tax on such distributions. Higher rate individual taxpayers will have an additional

liability to income tax, currently 20% of the gross interest. Additional rate individual taxpayers will have an additional liability to income tax, currently 30% of the gross interest. Non-taxpaying individuals and those within the starting rate band may be able to reclaim from HM Revenue & Customs all or part of the tax deducted (subject to the terms of a double tax agreement between the UK and their country of residence).

- (B) Shareholders subject to UK corporation tax may, depending on their circumstances, be liable to UK corporation tax on the gross interest, but they will be able to offset the tax deducted against this liability. Interest distributions may now be paid gross where the ACD reasonably believes that the recipient is a company resident in the UK or one of certain other recipients, e.g. a charity or the administrator of an exempt approved pension scheme.

(b) Capital gains

Shareholders resident or ordinarily resident in the UK may, depending on their circumstances, be liable to UK tax on chargeable gains on the sale or disposal of their Shares. Shareholders should note that switching between different Funds is presently treated for UK tax purposes as involving such a disposal of Shares, regardless of the fact that the proceeds of the disposal are registered in another Fund. The ACD understands that present HM Revenue & Customs practice is not to regard a switch between different Classes in the same Fund as giving rise to a disposal for the purposes of tax on capital gains.

6. ACCOUNTS AND REPORTS; INCOME ALLOCATION

6.1 Annual and half-yearly reports

The Company's annual accounting date is 31 December, and its first annual accounting date fell on 31 December 2003. The Company's annual report will be published within four months of the annual accounting date. A half yearly report will be prepared each year as at 30 June (the interim accounting date), and will be published within two months. Short reports will be provided to investors. Copies of the Long Form Annual and Interim Report and Financial Statements are available free of charge on request from the ACD.

6.2 Allocation of income

Income which has accrued to a Fund by an accounting date (be it an interim or a final accounting date) will be allocated to Shares in the Fund in question within four months of the accounting date or interim accounting date. Upon allocation, income will be distributed to the Shareholders concerned. Shareholders will receive a statement of the tax deducted at source prior to the allocation being made (with regard to liability to tax, see Paragraph 5 (*Taxation*) of Part 1). Annual and interim allocation dates are set out in the Appendices. There will be no smoothing of interim distributions within an annual accounting period as there is a full distribution policy.

If a distribution remains unclaimed for a period of two years after it has become due, the ACD will where practicable reinvest the monies into the relevant Fund on behalf of the investor. Distributions which the ACD is unable to reinvest will be forfeited after a period of six years and returned to the relevant Fund (or, if that no longer exists, to the Company).

The Company operates a policy of income equalisation, which has been explained in Paragraph 3 (*Valuation of property and pricing of and dealing in Shares*) of Part 1.

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

Income available for allocation in respect of each Fund is calculated in respect of each accounting period by taking the income received or receivable in respect of that period, deducting all charges and expenses paid or payable out of income, adding the ACD's best estimate of relief from tax on such charges and expenses, and making certain other adjustments to the resultant total which are permitted in accordance with the Sourcebook (after consultation with the Auditor, as appropriate).

7. GENERAL AND MISCELLANEOUS

7.1 Material interests

The ACD may carry out transactions for the Company in which the ACD has a material interest (as defined in the rules of the Authority) or relating to which the ACD has a relationship which gives rise to a conflict, but the ACD will not knowingly do so unless the ACD is satisfied that the transaction concerned is not precluded by law or the Sourcebook or the Instrument and reasonable steps have been taken to ensure (i) fair treatment of the Shareholders; and (ii) compliance with the Sourcebook.

7.2 Investing in Shares through the services of a financial adviser

If you acquire Shares through the agency of a financial adviser or after taking advice from a financial adviser, the rules of the Authority may entitle you to cancel that contract. If you exercise that right to cancel, the ACD will ensure that your money is refunded, subject to any fall in the value of the Shares that may have taken place between the time the contract was entered into and the time of its cancellation.

7.3 Property

There is no intention for the Company to have an interest in any immovable property or tangible moveable property.

7.4 Risk factors

(a) General

The price of Shares and the income that they generate can go down as well as up. A Shareholder may not be able to recover the total amount invested in Shares. Shares in all the Funds should generally be regarded as a long-term investment.

Before investing, Shareholders should make specific enquiries as to whether, in view of their personal circumstances, an investment in Shares represents a significant risk for them. The statements in this Prospectus as to risk factors involved with investment in Shares are generic in nature, and are not intended to be exhaustive.

There is no guarantee that the investment objective of a Fund, or its risk monitoring, hedging and diversification goals, will be achieved and results may vary substantially over time. Shareholders should recognise that investing in a Fund or Funds involves special considerations not typically associated with investing in other securities and that the asset allocation is not

structured as a complete investment programme. Investments may be made in assets domiciled in jurisdictions which do not have a regulatory regime which provides an equivalent level of shareholder protection to that provided under English law.

(b) Currency Exchange Rates

Where an underlying investment of any Fund is not denominated in the currency of the Share Class which you hold, the effect of fluctuations in the rate of exchange between that currency and the currency of denomination of the investment may adversely affect the value of that investment, and this will be reflected in the value of Shares in that Fund.

(c) Illiquidity

Funds investing in smaller companies invest in transferable securities that may be less liquid than the securities of larger companies, as a result of inadequate trading volume or restrictions on trading. Securities in smaller companies may possess greater potential for capital appreciation, but also involve risks, such as limited product lines, markets and financial or managerial resources and trading in such securities may be subject to more abrupt price movements than trading in the securities of larger companies. Additionally in extreme market conditions illiquidity within the portfolio may mean investors are unable to redeem their shares when required.

(d) Suspension of Dealing in Shares

Investors should be aware that in certain circumstances their right to redeem shares may be suspended. See Paragraph 3.8 (*Suspension of issues and redemptions*) of Part 1.

(e) Dilution

Shareholders should note that in certain circumstances a dilution adjustment may be applied on the sale or redemption of shares. See Section 3.1(d) (*Dilution Adjustment*) of Part 1. Where a dilution adjustment is not applied the Fund in question may incur dilution which may constrain capital growth.

(f) Liabilities of the Company

Each Fund will be treated as bearing the liabilities, expenses, costs and charges attributable to it. While the ICVC Regulations provide for this “segregated liability” between sub-funds, the concept is relatively new and so, where claims are brought by local creditors in foreign courts or under foreign law contracts, it

is not yet known how such foreign courts will interpret or implement the ICVC Regulations.

(g) Concentration of Investments

A Fund may at certain times hold relatively few investments. A Fund could therefore be subject to significant losses if it holds a large position in a particular investment that declines in value or is otherwise adversely affected.

Whilst the ACD will regularly monitor the concentration of the Fund's exposure to related risk, concentration in any one industry, region or country or with respect to any given counterparty may arise from time to time. To the extent there is a downturn or other problem in any area where the Fund has concentration, this could reduce the return the Fund receives on its investments and, consequently, could have an adverse impact on the Fund's financial conditions and its ability to pay distributions.

(h) Nature of Investments

An investment in a Fund will require a long-term commitment, with no certainty of return. A Fund may make investments which the ACD perceives as having the potential for substantial return, but which may also involve substantial risks. Since a Fund may only make a limited number of investments and since such investments may involve a high degree of risk, poor performance by such investments could severely affect the total return to investors.

(i) Liquidity Risk

Certain securities may be difficult or impossible to sell at the time and the price that the seller would like. The seller may have to lower the price to effect a secondary market sale, sell other securities instead or forego an investment opportunity, any of which could have a negative effect on fund management or performance.

(j) Market risk

The investments of a Fund are subject to normal market fluctuations and the risk inherent in investment in equity securities and similar instruments and there can be no assurances that appreciation will occur.

(k) Use of leverage

The use of leverage by a Fund will accentuate any change in its NAV of the Fund and thereby result in increased volatility. The use of leverage creates special risk and may significantly increase a Fund's investment risk. Leverage will create an opportunity for greater yield and total return but, at the same time, will increase the Fund's exposure to capital risk and interest costs. Any investment income and gain earned on investments made through the use of leverage that are in excess of the interest costs associated with it may cause the NAV to increase more rapidly than would otherwise be the case. Conversely, where the associated interest rate costs are greater than such income and net gains and losses, the NAV may decrease more rapidly than would otherwise be the case.

(l) Potential Conflicts of Interest

In addition, investors should note that the periodic charge is based on the NAV of the Fund and the ACD may value assets of the Fund in certain circumstances so there is the potential of conflict of interest and its fees will rise with an increase in the NAV of the Fund.

(m) Foreign exchange/currency risk

Although Shares may be denominated in a Fund's base currency, it may invest its assets in securities denominated in a wide range of currencies, some of which may not be freely convertible. The value of securities as expressed in the base currency of the Fund will fluctuate in accordance with the changes in the foreign exchange rate between the base currency of the Fund and the currencies in which the Fund's investments are denominated. The Fund may therefore be exposed to a foreign exchange/currency risk.

It may not be possible or practicable to hedge against the consequent foreign exchange/ currency risk exposure. The ACD may, at its sole discretion, enter into hedging transactions to protect against fluctuations in the relative values of a Fund's portfolio positions as a result of changes in currency exchange rates and market interest rates.

(n) Equity risk

Equities as a class have historically outperformed other types of investments over the long term. Individual stock prices, however, tend to go up and down more dramatically over the short term. These price movements may result from factors affecting

individual companies or industries, or the securities market as a whole.

(o) Political legal and/or regulatory risks

The value of the assets of the Company may be adversely affected by uncertainties, such as international, political and economic developments, changes in market conditions, government policies or in legal, regulatory or taxation requirements.

(p) Availability of certain investment opportunities

The Fund will compete with other potential investors to acquire assets. Certain competitors of the Fund's may have greater financial and other resources and may have better access to suitable investment opportunities. There can be no assurance that the Fund will be able to locate and complete investments which satisfy the Fund's rate of return objectives or that the Fund will be able to invest fully its committed capital. If no suitable investments can be made then cash will be held by the Fund and this will reduce returns to Shareholders. Whether or not suitable investment opportunities are available to the Fund, Shareholders will bear the cost of management fees and other Fund expenses.

In the event that the Fund is terminated or the Company is wound up, and to the extent that the assets may be realised, any such realisation may not be at full market value and will be subject to deductions for any expenses for the termination of the Fund or the liquidation of the Company.

(q) Limited number of investments

The Fund anticipates that it will be diversified. However, in the event of a material demand for redemptions, the Fund could be forced to sell liquid positions resulting in an over-weighting in a small number of illiquid investments. In such circumstances, the aggregate return of the Fund may be substantially and adversely affected by the unfavourable performance of a single investment.

(r) Portfolio selection and reliance on the ACD

Shareholders of a Fund are reliant on the ability of the ACD to make, manage and dispose of appropriate investments for the Fund. While the ACD intends to make only carefully selected investments that meet the investment criteria of the Fund, it has complete discretion with respect to the selection of such investments within the investment criteria.

(s) Payments of charges and expenses to capital

The charges and expenses of the Fund may be charged to the capital of the Fund in circumstances where there is insufficient income being received by the Fund. In such circumstances, the capital value of a Shareholder's investment may be lowered and income may be achieved by forgoing the potential for future capital growth.

(t) Performance Fees

In relation to Performance Fee Share Classes in certain Funds the ACD may receive a Performance Fee from a Fund calculated as a percentage of the outperformance of its Benchmark Index on an annual basis (as described in Sections 4.2 and 4.3 above). Performance fee arrangements may create an incentive for the ACD to make investments that are riskier or more speculative than would be the case in the absence of such arrangements. The Performance Fee payable to the ACD will be based on the cumulative performance of the Net Asset Value per Share of a Performance Fee Share Class as a whole (before deduction of any Performance Fee), including any income attributable to the cash assets of such Performance Fee Share Class and subscriptions and redemptions. The combination of daily subscriptions and redemptions and the changing cumulative performance of the Net Asset Value per Share in a Performance Fee Share Class may impact upon the Performance Fee incurred by Shareholders in different ways because of the timing of subscriptions, redemptions and holdings. In addition, the ACD's Performance Fee will be based on unrealised as well as realised gains. There can be no assurance that such unrealised gains will, in fact, ever be realised or that Shareholders will experience identical returns.

(u) Net asset value and valuation of assets

The valuation of the Fund's assets obtained for the purpose of calculating Net Asset Value may not be reflected in the prices at which such assets are sold. For details of the valuation of assets, please Paragraph 3.1 (*Valuation of property*).

(v) Derivative risk

Where a Fund uses Derivatives, additional risk factors are contained in the Appendix of that Fund.

7.5 Profile of Typical Investor

Each of the Funds is suitable for experienced investors wishing to attain defined investment objectives. The investor must have experience with volatile products and must be able to accept significant temporary losses. Therefore, each of the Funds is suitable for investors who can afford to set aside the capital for at least five years. Each of the Funds is designed for the investment objective of building up capital. Each of the Funds is eligible to be held within the stocks and shares component of an ISA.

7.6 Historic Performance

Majedie UK Equity Fund (formerly known as Majedie Asset UK Equity Fund)

Share Class	Calendar year to 31 December 2008	Calendar year to 31 December 2009	Calendar year to 31 December 2010	Calendar year to 31 December 2011	Calendar year to 31 December 2012
A Accumulation Shares	(20.3%)	31.4%	12.3%	0.1%	16.7%
B Accumulation Shares	(19.6%)	32.7%	13.5%	0.9%	17.9%
FTSE All-Share Index (Total Return)	(29.9%)	30.1%	14.5%	(3.5%)	12.3%

Class A Accumulation Shares in this Fund were first issued on 27 March 2003; Class B Accumulation Shares on 7 July 2003. In addition Class A Income Shares (as Class C Income Shares) were first issued on 25 May 2012; Class X Accumulation Shares and Class X Income Shares were first issued on 13 September 2012 and Class B Income Shares will be launched on 1 July 2013.

Majedie Asset UK Opportunities Fund (not available for investment)

No historic performance data has been included for Majedie Asset UK Opportunities Fund because it merged into Majedie UK Equity Fund on 21 December 2012 and is in the process of being wound-up.

Majedie UK Focus Fund (formerly known as Majedie Asset UK Focus Fund)

Share Class	Calendar year to 31 December 2008	Calendar year to 31 December 2009	Calendar year to 31 December 2010	Calendar year to 31 December 2011	Calendar year to 31 December 2012
A Accumulation Shares	(24.3%)	40.6%	11.0%	(2.6%)	17.9%
B Accumulation Shares	(23.1%)	43.0%	13.2%	(0.7%)	20.3%
FTSE All-Share Index (Total Return)	(29.9%)	30.1%	14.5%	(3.5%)	12.3%

Class A Accumulation Shares and Class B Accumulation Shares in this Fund were first issued on 29 September 2003. Class X Accumulation Shares and Class X Income Shares were first issued on 13 September 2012.

Majedie Special Situations Investment Fund (formerly known as Majedie Asset Special Situations Investment Fund)

Share Class	Calendar year to 31 December 2008	Calendar year to 31 December 2009	Calendar year to 31 December 2010	Calendar year to 31 December 2011	Calendar year to 31 December 2012
A Accumulation Shares	(58.5%)	78.4%	38.9%	(13.0%)	13.8%
B Accumulation Shares	(58.1%)	79.9%	40.0%	(12.2%)	15.0%
FTSE Small Cap Index (Total Return)	(43.9%)	54.3%	19.5%	(12.5%)	27.8%

Class A Accumulation Shares and Class B Accumulation Shares in this Fund were first issued on 19 December 2003.

Majedie Asset Global Focus Fund

No historic performance data has been included for Majedie Asset UK Opportunities Fund because it is in the process of being wound-up.

Majedie Tortoise Fund (formerly known as Majedie Asset Tortoise Fund)

No historic performance data has been included for Majedie Tortoise Fund because as at 31 December 2012 none of its Share Classes had been in existence for a complete 12-month period.

Class A Accumulation Shares and Class B Accumulation Shares in this Fund were first issued on 24 February 2012. Class C Accumulation Shares, Class H Accumulation Shares and Class I Accumulation Shares were first issued on 25 May 2012.

Majedie UK Income Fund (formerly known as Majedie Asset UK Income Fund)

Share Class	Calendar year to 31 December 2012
A Income Shares	18.0%
B Accumulation Shares	18.9%
FTSE All-Share Index (Total Return)	12.3%

Class A Accumulation Shares and Class B Accumulation Shares in this Fund were first issued on 19 December 2011. Class X Accumulation Shares and Class X Income Shares were first issued on 13 September 2012.

Notes:

Past performance is not necessarily a guide to future returns. The value of any Shares may fall as well as rise and any income received from them may fluctuate. Consequently you may not receive back the amount originally invested.

The prices of all Shares are calculated on a single pricing basis. In the case of Shares returns are calculated for each annual period taking the last Valuation Point, if there was more than one and, in the case of indices, from 31 December in each respective year (taking in each case the closing level). In the case of Income Shares it is assumed that distributions (dividends net of the standard rate of income tax) are re-invested in additional Shares at the price applicable on the accounting date.

The calculations exclude any initial charge, the impact of any dilution adjustment or dilution levy (whichever was applicable) or SDRT provision.

7.7 Inspection of documents and supply of copies

The Instrument, any amending instrument and the most recent annual and half yearly reports may be inspected at the offices of the ACD. Copies of the following documents may be obtained from the ACD (subject in some cases to payment of a fee in accordance with the Sourcebook);

- (a) the most recent annual and half yearly reports;
- (b) the most recent version of this Prospectus;
- (c) the Instrument of Incorporation (as amended); and
- (d) the material contracts referred to below.

7.8 Material Contracts

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

- (a) the ACD Agreement dated 13 March 2003 between the Company and the ACD (as amended and restated on 27 September 2012);
- (b) the Depositary Agreement dated 11 February 2003 between the Company, the Depositary and the ACD (as amended on 29 August 2012); and
- (c) the Administration Agreement and the Fund Accounting Agreement both dated 27 February 2003 between the Administrator and the ACD.

7.9 Investment Powers and Safeguards

The assets of each Fund will be invested with the aim of achieving the investment objective and policy of that Fund as set out in the Appendices. They must be invested so as to comply with the investment and borrowing powers and restrictions set out in Chapter 5 of the Sourcebook, the Instrument and this Prospectus.

The investment powers and safeguards applicable to the Funds are set out in Part 2 (*Investment and borrowing powers*).

7.10 Notice to Shareholders

Any notice or document will be served on Shareholders, by post, at their respective addresses as shown in the Register of Shareholders.

PART 2 INVESTMENT AND BORROWING POWERS

1. INTRODUCTION

This Part sets out in general terms the investment and borrowing powers of the Company.

The Company is a UCITS Scheme and all of its investment and borrowing powers as set out in this Part are compliant with Chapter 5 of the Sourcebook.

References in this Part to percentages are to percentages of the value of the property of the Fund unless otherwise stated.

2. GENERAL POWERS OF INVESTMENT IN TRANSFERABLE SECURITIES

The investment powers described in the following paragraphs are of general application to all ICVCs.

2.1 What is a "transferable security"?

The Regulations define "**transferable security**" as:

- (a) including any investment covered by Rule 5.2.7 of the Sourcebook (broadly: shares; debentures; alternative debentures, government and public securities, such as gilts; warrants and certificates representing securities, such as depositary receipts); but
- (b) excluding any of the above:
 - (i) if title cannot be transferred at all; or
 - (ii) if consent (other than of the issuer) is required for title to be transferred; or
 - (iii) if the liability of the holder of such a security to contribute to the debts of the issuer is not limited to the issue price.

A transferable security will be an "**approved security**" for the purposes of the Regulations if it is admitted to Official Listing in any EEA member state, or if it is dealt in on or under the rules of an "**eligible securities market**" (details of eligible markets relevant to the Company are set out in Paragraph 7 (*Eligible markets*) of Part 2).

2.2 General provisions as to investment in transferable securities

Any of the Funds may invest in transferable securities subject to the following restrictions:

(a) Non-approved securities limit

Not more than 10% in value of the Fund property may consist of transferable securities which are not approved securities. However, subject to the other restrictions mentioned in paragraphs (b) to (f) below, there is generally no limit on the extent to which the property of any of the Funds may be invested in investments which are approved securities.

(b) Warrants and nil and partly paid securities

Up to 100% in value of the Fund may consist of warrants (which may at times make the portfolio composition highly volatile), provided that warrants may only be held if it is reasonably foreseeable there will be no change to the scheme property between the acquisition of the warrant and its exercise and the rights conferred by the proposed warrant and all other warrants forming part of the scheme property at the time of the acquisition of the proposed warrant will be exercised and that the exercise of the rights conferred by the warrants will not contravene the Sourcebook.

Securities on which any sum is unpaid may be held provided that it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by the Fund at any time when the payment is required without contravening the Sourcebook.

A warrant which is an investment falling within article 80 of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (the "**Regulated Activities Order**") and which is akin to an investment falling within article 79 of the Regulated Activities Order may not be included in the scheme property unless it is listed on an eligible securities market.

It is possible that more than 5% in value of the Fund will be invested in warrants, in which case the NAV of the Fund may, at times, be highly volatile.

(c) Limited right to hold nil paid or partly paid securities

A Fund may invest in nil paid or partly paid transferable securities only if it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by the Fund at the time when payment is required without contravening the Sourcebook.

(d) Concentration

The property of any Fund may not include more than 10% of:

- (i) the non-voting share capital of a body corporate; or
- (ii) the debt securities issued by any single issuing body.

(e) Significant influence

The Company may only acquire transferable securities issued by a body corporate carrying rights to vote (whether or not on substantially all matters) at a general meeting of that body provided that the acquisition would not give the Company power significantly to influence the conduct of business of that body. The Company shall be taken to have power significantly to influence the conduct of business of that body if it can, by virtue of the transferable securities held by it, exercise or control the exercise of 20% or more of the voting rights in that body (disregarding for this purpose any temporary suspension of voting rights in respect of the securities of that body).

(f) Spread limits for transferable securities

Not more than 5% in value of the Fund property may be invested in transferable securities (other than Government and other public securities pursuant to (vi) above) issued by the same issuer. This limit can be increased to 10% in value of the Fund property provided the total value of all such enlarged holdings does not exceed 40% of the Fund's property.

3. INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

3.1 Units in other collective investment schemes: generally

The Fund property may consist of units in collective investment schemes which:

- (a) comply with the conditions necessary for them to enjoy the rights conferred by the UCITS Directive;
- (b) be recognised under the provision of s270 of the Act;
- (c) be authorised as a non-UCITS retail scheme; or
- (d) be authorised in another EEA State,

provided that, for (c) or (d) to apply, the requirements of Article 50(1)(e) of the UCITS Directive must be met by that collective investment schemes.

No more than 30% in value of the Fund property may consist of units in collective investment schemes of a type described in (b), (c) or (d).

3.2 Units in collective investment schemes managed by the ACD or an associate

In addition to the restrictions in (a) above, where the ACD proposes to acquire for the account of a Fund units in another collective investment scheme which it or an associate manages:

- (a) the Instrument must impose a duty on the ACD to pay into the property of the Company before the close of business on the fourth Business Day next after the agreement to buy units in that other collective investment scheme;
 - (i) the maximum permitted amount of any preliminary charge payable to the operator of that other collective investment scheme; and
 - (ii) if the ACD pays more for the units issued to him than the then prevailing creation price (in a case where that price could reasonably be known by him) the full amount of the difference; and
- (b) there must be no charge in respect of the investment in or the disposal of units in that other collective investment scheme.

4. DERIVATIVES AND FORWARD TRANSACTIONS

- (a) Derivative transactions may be used for the purposes of efficient portfolio management in any Fund and, where stated in the Appendix for that Fund, for the purpose of meeting its investment objectives as well. In pursuing each Fund's objective, the ACD may, where permitted in the particulars for that Fund in the Appendices, make use of a variety of Derivative instruments in accordance with the Sourcebook.
- (b) A Fund may invest in Derivatives so long as:
 - (i) it meets the criteria as set out in the Sourcebook and as discussed in (iv) below;
 - (ii) the transaction is economically appropriate for the Fund and any exposure is fully covered by cash or other property sufficient to meet any obligation to pay or deliver that could arise;
 - (iii) the exposure of the Fund to the underlying assets involved in the transaction do not exceed the limits as set out in the Sourcebook;

- (iv) any investment in a transferable security or money-market instrument which embeds a Derivative, must also be in compliance with the relevant sections in the Sourcebook dealing with Derivatives, particularly in respect of the restrictions on exposure; and
 - (v) any investment in financial indices or OTC Derivatives meet the specific regulations set out in the Sourcebook dealing with these specific investments.
- (c) Except as set out in (f) below, there is no upper limit on the use of transactions in Derivatives or forward transaction for a Fund, but those transactions must meet the requirements of (d) and (e).
- (d) A transaction in a Derivative or forward transaction must:
- (i) (A) if an OTC Derivative, be in an approved Derivative; or
 - (B) be in a future, an option or a CFD which must be entered into with a counterparty that is acceptable in accordance with the Sourcebook, must be on approved terms as to valuation and close out and must be capable of valuation;
 - (ii) have the underlying asset consisting of any or all of the following to which the Fund is dedicated:
 - (A) transferable securities;
 - (B) permitted money market instruments;
 - (C) permitted deposits;
 - (D) permitted derivatives;
 - (E) permitted collective investment scheme units;
 - (F) financial indices;
 - (G) interest rates;
 - (H) foreign exchange rates; and
 - (I) currencies.
 - (iii) be effected on or under the rules of an eligible derivatives market, which must not cause the Fund to diverge from its investment objective, must not be entered into if the intended effect is to create the potential for an uncovered sale of one or more transferable securities, money market

instruments, units in collective investment schemes, or Derivatives and must be with an approved counterparty.

Use of Derivatives must be supported by a risk management process maintained by the ACD which should take account of the investment objective and policy of the Fund. At the current time the ACD does not intend to use Derivatives either for efficient portfolio management or for the purpose of meeting the investment objectives of any Fund except where stated in the Appendix relating to a given Fund.

- (e) A transaction in Derivatives or a 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 scheme is or may be committed by another person, is covered under (i) below.
 - (i) Exposure is covered if adequate cover from within the scheme property for the Fund is available to meet its total exposure, taking into account the initial outlay, the value of the underlying assets, any reasonably foreseeable market movement, counterparty risk, and the time available to liquidate any positions.
 - (ii) Cash not yet received into the scheme property of the Fund, but due to be received within one month, is available as cover for the purposes of (i).
 - (iii) Property which is the subject of a stock lending transaction is only available for cover if the ACD has taken reasonable care to determine that it is obtainable (by return or re-acquisition) in time to meet the obligation for which cover is required.
 - (iv) The exposure relating to Derivatives held in the Fund may not exceed the net value of that Fund.
- (f) The exposure to any one counterparty in an OTC Derivative transaction must not exceed 5% in value of the scheme property of the Fund. This limit is raised to 10% where the counterparty is an approved bank.
- (g) Where any Fund seeks collateral in connection with an OTC Derivative transaction that Fund will seek collateral in the form of cash or high quality liquid instruments which can reasonably be valued at nominal or face value without any discount. Any cash collateral will either be held as cash on deposit or invested in high quality liquid instruments as described in the preceding sentence.

5. FURTHER GENERAL INVESTMENT AND BORROWING POWERS

The following paragraphs describe other general investment and borrowing powers applicable to ICVCs:

5.1 Stocklending

The ACD may request the Depositary to enter into stocklending transactions permitted under the Sourcebook and of a kind described in s263B Chargeable Gains Act 1992 (without extension by s263C).

A stocklending transaction is one under which the Depositary sells and delivers securities to another party (either directly or through the agency of a broker) on terms that securities of the same kind and amount will be redelivered and reacquired by the Depositary for the account of the Company by a specified future date. At the time of delivery of the securities the Depositary receives from the counterparty assets as collateral to cover against the risk of the future redelivery not being completed, and the value of such collateral is adjusted on a regular basis to reflect the value of the securities transferred to the counterparty.

5.2 Borrowing powers

The Depositary may, in accordance with the Sourcebook and with the instructions of the ACD, borrow money from an eligible institution or an approved bank for the use of any Fund on the terms that the borrowing is repayable out of the property of the relevant Fund.

Borrowing includes, as well as borrowing in a conventional manner, any other arrangement designed to achieve a temporary injection of money into the property of the Fund in question, in the expectation that the sum will be repaid (something that can be accomplished, for example by way of a combination of Derivatives which produces an effect similar to borrowing).

The aggregate value of all outstanding borrowings must not, on any Business Day, exceed 10% of the value of the Fund for which said borrowing was effected. This restriction does not apply to any **"back-to-back"** borrowing where currency is borrowed by the Company from an eligible institution and an amount in the Company's base currency, at least equal to the amount of the currency borrowed, is kept on deposit with the lender (or his agent or nominee). The ACD must ensure that no borrowing remains outstanding for a period exceeding three months without the prior consent of the Depositary and in any case the borrowing must not cease to be on a temporary basis.

5.3 Power to hold cash etc.

The Company may hold cash or near cash (i.e. cash-type instruments and certain other arrangements which are treated by the Sourcebook as the equivalent of cash) for (i) the pursuit of the Company's investment objectives; (ii) the redemption of Shares; (iii) the efficient management of the Company; and/or (iv) other purposes which may reasonably be regarded as ancillary to the Company's objects. The ACD may vary the level of cash actually held within the Company in accordance with changes or anticipated changes in market conditions.

5.4 Placing and underwriting exposure

Subject to the Sourcebook, the Company may enter into agreements and undertakings in respect of underwriting and placing of transferable securities, provided that on any Business Day, the associated exposure of the Fund in relation to which said agreements have been entered into must:

- (a) be covered as if that exposure had been incurred in the context of a Derivative transaction (see above); and
- (b) if all possible obligations arising thereunder had immediately to be met in full, not involve the Fund in question in a breach of any investment limit in the Sourcebook.

6. LISTING ARRANGEMENTS

All Classes of Shares in the Fund are not listed or dealt with on any investment exchange.

7. ELIGIBLE MARKETS

- (a) any stock exchange which is:
 - located in an EEA Member State;
 - located in Australia, Canada, Hong Kong, Japan, New Zealand, Switzerland, United States of America; or
- (b) any stock exchange included in the following list:-
 - Brazil - Bolsa de Valores, Mercadorias & Futuros de Sao Paulo;
 - Indonesia - Indonesia Stock Exchange;
 - Israel - Tel Aviv Stock Exchange;
 - Korea - Korea Exchange;

Malaysia	-	Bursa Malaysia Stock Exchange;
Mexico	-	Bolsa Mexicana de Valores;
Singapore	-	Singapore Exchange;
South Africa	-	Johannesburg Stock Exchange;
Thailand	-	The Stock Exchange of Thailand;
Turkey	-	Istanbul Stock Exchange.

In relation to any exchange traded financial derivative contract, any stock exchange on which such contract may be acquired or sold and which is regulated, operates regularly, is recognised and open to the public and which is (i) located in an EEA Member State, (ii) located in Australia, Canada, Hong Kong, Japan, New Zealand, Switzerland, United States (iii) the Channel Islands Stock Exchange (iv) listed at (d) above or (v) any of the following:

The Chicago Board of Trade;

The Mercantile Exchange;

The Chicago Board Options Exchange;

EDX London;

New York Mercantile Exchange;

New York Board of Trade;

New Zealand Futures and Options Exchange;

Hong Kong Futures Exchange;

Singapore Commodity Exchange;

Tokyo International Financial Futures Exchange

**APPENDIX 1
MAJEDIE UK EQUITY FUND**

(formerly known as Majedie Asset UK Equity Fund)

1. CLASSIFICATION OF THE FUND

UCITS Scheme.

2. INVESTMENT OBJECTIVES AND POLICY

The Fund aims to produce a total return in excess of the FTSE All-Share Index over the long term through investment in a diversified portfolio of predominantly UK equities.

The Fund will invest in equity securities of companies which are listed or traded on one or more eligible markets. At least 80% of the Fund will be invested in UK equities, with the balance in international equities, cash or near cash. It is not the intention to invest materially in emerging markets.

There is no policy to restrict investment to particular economic sectors. There will be no borrowing for investment purposes.

No more than 10% of the scheme property may be invested in other collective investment schemes.

Up to 20% of the Fund may be held in near cash (as defined in the FCA Glossary).

3. TYPES OF SHARE IN ISSUE:

Class A Accumulation Shares.

Class A Income Shares (formerly Class C Income Shares).

Class B Accumulation Shares.

Class B Income Shares

Class X Accumulation Shares.

Class X Income Shares.

Class B Accumulation Shares, Class B Income Shares, Class X Accumulation Shares and Class X Income Shares are only available for purchase by investors with the prior agreement of the ACD (which it may give or withhold at its discretion).

4. **BASE CURRENCY**

£ Sterling.

5. **DEALING DAY**

Every Business Day.

6. **DEALING DEADLINE**

For both subscriptions and redemptions, 12.00 noon (London Time) on the relevant Dealing Day.

7. **PRELIMINARY CHARGE**

For all Classes of Shares in the Fund there is no preliminary charge.

8. **EXIT CHARGE**

For all Classes of Shares in the Fund there is no exit charge.

9. **PERIODIC CHARGE**

Class A Accumulation Shares and Class A Income Shares (formerly Class C Income Shares) in the Fund have a periodic charge of 1.5% per annum of the value of the Fund property attributable to Class A Accumulation Shares and Class A Income Shares (formerly Class C Income Shares) respectively.

Class B Accumulation Shares and Class B Income Shares in the Fund do not have any periodic charge.

Class X Accumulation Shares and Class X Income Shares in the Fund have a periodic charge of 0.75% per annum of the value of the Fund property attributable to Class X Accumulation Shares and Class X Income Shares respectively.

The periodic charge will accrue daily based on the previous day's NAV and is payable in arrears on the last Business Day of each month.

The ACD's policy is to pay all of the periodic charge out of the income property of the Fund and to have recourse to the capital property only to the extent that the income property is insufficient.

10. **VALUATION POINT**

The property of the Fund is valued daily on Business Days at 12.00 noon (London time). An additional valuation will be carried out at 4:30 p.m. (London time) on the last Business Day of each month for valuation purposes only.

11. MINIMUM INVESTMENT CRITERIA

For Class A Accumulation Shares and Class A Income Shares (formerly Class C Income Shares) in the Fund the minimum initial subscription is £10,000 and the minimum further subscription is £5,000. For all other Classes of Shares in the Fund the minimum initial subscription is £100,000 and the minimum further subscription is £5,000.

These minima may be waived at the discretion of the ACD.

12. DILUTION ADJUSTMENT THRESHOLD

The ACD's policy is to apply a dilution adjustment whenever there are net inflows or net outflows of £1,000,000.

13. ANNUAL INCOME ALLOCATION DATE

28 February

14. INTERIM INCOME ALLOCATION

31 August

**APPENDIX 2
MAJEDIE ASSET UK OPPORTUNITIES FUND**

(Please note that this Fund is not available for investment)

1. CLASSIFICATION OF THE FUND

UCITS Scheme.

2. INVESTMENT OBJECTIVES AND POLICY

The Fund aims to maximise total return through investment in a portfolio of UK equities and to outperform the FTSE All-Share Index over the long term.

The Fund will aim to identify opportunities where there are significant prospects for capital growth either through a growing business or due to an under valuation of prospects or assets.

There is no policy to restrict investment to particular economic sectors. There will be no borrowing for investment purposes.

No more than 10% of the scheme property may be invested in other collective investment schemes.

Up to 20% of the Fund may be held in near cash (as defined in the FCA Glossary).

3. TYPES OF SHARE IN ISSUE

Class A Income Shares.

Class B Income Shares.

Class B Income Shares are only available for purchase by clients of the ACD or its associates or (with the agreement of the ACD) by other authorised persons (as defined in the Act) or their clients. These requirements may be waived at the discretion of the ACD.

4. BASE CURRENCY

£ Sterling.

5. DEALING DAY

Every Business Day.

6. DEALING DEADLINE

For both subscriptions and redemptions, 12.00 noon (London Time) on the Business Day prior to the relevant Dealing Day.

7. PRELIMINARY CHARGE

For both Classes of Shares in the Fund the ACD's current rate of preliminary charge is 0% and the maximum rate is 5% of the price of the Shares.

8. EXIT CHARGE

For both Classes of Shares in the Fund the ACD's current and maximum rate of exit charge is 0%.

9. PERIODIC CHARGE

Class A Income Shares in the Fund currently attract a periodic charge of 1.5% per annum of the value of the Fund property attributable to Class A Income Shares and a maximum rate of 1.5% is permitted.

Class B Income Shares in the Fund currently attract a periodic charge of 1% per annum of the value of the Fund property attributable to Class B Income Shares and a maximum rate of 1.5% is permitted.

The periodic charge accrues daily based on the previous day's NAV and is payable in arrears on the last Business Day of each month.

The ACD's policy is to pay all of the periodic charge out of the income property of the Fund and to have recourse to the capital property only to the extent that the income property is insufficient.

10. VALUATION POINT

The property of the Fund is valued daily on Business Days at 12.00 noon (London time). An additional valuation will be carried out at 4:30 p.m. (London time) on the last Business Day of each month for valuation purposes only.

11. MINIMUM INVESTMENT CRITERIA

For both Classes of Shares in the Fund the minimum initial subscription per Share is £10,000 and the minimum further subscription is £1,000.

These minima may be waived at the discretion of the ACD.

12. DILUTION ADJUSTMENT THRESHOLD

The ACD's policy is to apply a dilution adjustment whenever there are net inflows or net outflows of £250,000 or more.

13. ANNUAL INCOME ALLOCATION DATE

28 February.

14. INTERIM INCOME ALLOCATION DATE

31 August.

**APPENDIX 3
MAJEDIE UK FOCUS FUND**

(formerly known as Majedie Asset UK Focus Fund)

1. CLASSIFICATION OF THE FUND:

UCITS Scheme.

2. INVESTMENT OBJECTIVES AND POLICY

The Fund aims to maximise total return and to outperform the FTSE All-Share Index over the long term through investment in a concentrated portfolio of predominantly UK equities.

The Fund will invest in equity securities of companies which are listed or traded on one or more eligible markets. At least 80% of the Fund will be invested in UK equities, with the balance in international equities, cash or near cash. It is not the intention to invest materially in emerging markets.

There is no policy to restrict investment to particular economic sectors. There will be no borrowing for investment purposes.

No more than 10% of the scheme property may be invested in other collective investment schemes.

Up to 20% of the Fund may be held in near cash (as defined in the FCA Glossary).

3. TYPES OF SHARE IN ISSUE

Class A Accumulation Shares.

Class B Accumulation Shares.

Class X Accumulation Shares.

Class X Income Shares.

Class B Accumulation Shares, Class X Accumulation Shares and Class X Income Shares are only available for purchase by investors with the prior agreement of the ACD (which it may give or withhold at its discretion).

4. BASE CURRENCY

£ Sterling.

5. **DEALING DAY**

Every Business Day.

6. **DEALING DEADLINE**

For both subscriptions and redemptions, 12.00 noon (London Time) on the relevant Dealing Day.

7. **PRELIMINARY CHARGE**

For all Classes of Shares in the Fund there is no preliminary charge.

8. **EXIT CHARGE**

For all Classes of Shares in the Fund there is no exit charge.

9. **PERIODIC CHARGE**

Class A Accumulation Shares in the Fund have a periodic charge of 2% per annum of the value of the Fund property attributable to Class A Accumulation Shares.

Class B Accumulation Shares in the Fund do not have a periodic charge.

Class X Accumulation Shares and Class X Income Shares have a periodic charge of 1.5% per annum of the value of the Fund property attributable to Class X Accumulation Shares and Class X Income Shares respectively.

The periodic charge accrues daily based on the previous day's NAV and is payable in arrears on the last Business Day of each month.

The ACD's policy is to pay all of the periodic charge out of the income property of the Fund and to have recourse to the capital property only to the extent that the income property is insufficient.

10. **VALUATION POINT**

The property of the Fund is valued daily on Business Days at 12.00 noon (London time). An additional valuation will be carried out at 4:30 p.m. (London time) on the last Business Day of each month for valuation purposes only.

11. **MINIMUM INVESTMENT CRITERIA**

For Class A Accumulation Shares in the Fund the minimum initial subscription is £10,000 and the minimum further subscription is £5,000. For all other Classes of Shares in the Fund the minimum initial subscription is £100,000 and the minimum further subscription is £5,000.

These minima may be waived at the discretion of the ACD.

12. DILUTION ADJUSTMENT THRESHOLD

The ACD's policy is to apply a dilution adjustment whenever there are net inflows or net outflows of £250,000 or more.

13. FINAL INCOME ALLOCATION DATE

28 February

14. INTERIM INCOME ALLOCATION DATE

31 August

**APPENDIX 4
MAJEDIE SPECIAL SITUATIONS INVESTMENT FUND**

(formerly known as Majedie Asset Special Situations Investment Fund)

1. CLASSIFICATION OF THE FUND

UCITS Scheme.

2. INVESTMENT OBJECTIVES AND POLICY

The Fund aims to maximise total return and to outperform the FTSE Small Cap Index over the long term through investment in a portfolio of UK equities predominantly with a market value of less than £1 billion at the time of investment.

The Fund will aim to exploit special situations and invest in shares of companies principally within the UK that have good prospects and are at a reasonable valuation.

There is no policy to restrict investment to particular economic sectors. There will be no borrowing for investment purposes.

No more than 10% of the scheme property may be invested in other collective investment schemes.

Up to 20% of the Fund may be held in near cash (as defined in the FCA Glossary).

3. TYPES OF SHARE IN ISSUE

Class A Accumulation Shares.

Class B Accumulation Shares.

Class B Accumulation Shares are only available for purchase by investors with the prior agreement of the ACD (which it may give or withhold at its discretion).

4. BASE CURRENCY

£ Sterling.

5. DEALING DAY

Every Business Day.

6. DEALING DEADLINE

For both subscriptions and redemptions, 12.00 noon (London Time) on the relevant Dealing Day.

7. PRELIMINARY CHARGE

For both Class A Accumulation Shares and Class B Accumulation Shares there is no preliminary charge.

8. EXIT CHARGE

For both Class A Accumulation Shares and Class B Accumulation Shares, there is no exit charge.

9. PERIODIC CHARGE

Class A Accumulation Shares in the Fund have a periodic charge of 1% per annum of the value of the Fund property attributable to Class A Accumulation Shares.

Class B Accumulation Shares in the Fund do not have a periodic charge.

The periodic charge accrues daily based on the previous day's NAV and is payable in arrears on the last Business Day of each month.

The ACD's policy is to pay all of the periodic charge out of the income property of the Fund and to have recourse to the capital property only to the extent that the income property is insufficient.

10. VALUATION POINT

The property of the Fund is valued daily on Business Days at 12.00 noon London time. An additional valuation will be carried out at 4:30 p.m. London time on the last Business Day of each month for valuation purposes only.

11. MINIMUM INVESTMENT CRITERIA

For both Class A Accumulation Shares and Class B Accumulation Shares the minimum initial subscription is £100,000 and the minimum further subscription is £5,000.

These minima may be waived at the discretion of the ACD.

12. DILUTION ADJUSTMENT THRESHOLD

The ACD's policy is to apply a dilution adjustment whenever there are net inflows or net outflows of £250,000 or more.

13. FINAL INCOME ALLOCATION DATE

28 February

14. INTERIM INCOME ALLOCATION DATE

31 August

APPENDIX 5
MAJEDIE ASSET GLOBAL FOCUS FUND

(Please note that this Fund is not available for investment)

1. CLASSIFICATION OF THE FUND

UCITS Scheme.

2. INVESTMENT OBJECTIVES AND POLICY

The Fund aims to achieve capital appreciation and to outperform the MSCI World Total Return (net dividends reinvested) Index over the long term. It will invest predominantly in a relatively concentrated portfolio of approximately 30-50 listed global equities of companies, generally with market capitalisations in excess of \$1 billion.

The Fund may also invest in equity related securities, such as convertible bonds and warrants, debt and debt-related securities, such as notes (including short dated Treasury bills, with a term of one year or less), preferred securities, debentures, fixed or floating rate bonds, issued by governments and their municipalities or agencies, supranational bodies or corporations and collective investment schemes.

There is no policy to restrict investment to particular industry or economic sectors. However, the Fund shall not invest more than 20% of its NAV in emerging markets as defined by the ACD. Under normal market conditions, the Fund may hold or maintain up to 30% of its NAV in cash or near cash. In exceptional market conditions, for example where there is increased market volatility or falling markets, the amount of such cash or near cash may be up to 100% of the Fund's NAV (if the ACD considers this to be in the best interests of Shareholders).

No more than 10% of the scheme property may be invested in other collective investment schemes.

There will be no borrowing for investment purposes.

3. TYPES OF SHARE IN ISSUE

Class A Accumulation Shares (US Dollars).

Class B Accumulation Shares (US Dollars).

Class C Accumulation Shares (Sterling).

Class D Accumulation Shares (Sterling).

Class E Accumulation Shares (Euro) (to be launched at a date to be determined).

Class F Accumulation Shares (Euro) (to be launched at a date to be determined).

Class G Accumulation Shares (US Dollars).

Class H Accumulation Shares (Sterling).

Class I Accumulation Shares (Euro) (to be launched at a date to be determined).

Class B Accumulation Shares, Class D Accumulation Shares and (when launched) Class F Accumulation Shares are only available for purchase by clients of the ACD or its associates or (with the agreement of the ACD) by other authorised persons (as defined in the Act) or their clients. These requirements may be waived at the discretion of the ACD.

4. INITIAL OFFER

The initial offer period was on 27 March 2012 only. The initial offer price of Class A Accumulation Shares was 117.96 US cents per Share, of Class B Accumulation Shares will be 119.23 US cents per Share, of Class C Accumulation Shares will be 117.20 pence per Share and of Class D Accumulation Shares will be 118.46 pence per Share.

5. BASE CURRENCY

US Dollars.

6. DEALING DAY

Every Business Day.

7. DEALING DEADLINE

For both subscriptions and redemptions, 5.00 p.m. (London Time) on the relevant Dealing Day.

8. PRELIMINARY CHARGE

For all Classes of Shares in the Fund the ACD's current rate of preliminary charge is 0% and the maximum rate is 5% of the price of the Shares.

9. EXIT CHARGE

For all Classes of Shares in the Fund the ACD's current rate of exit charge is 0% and the maximum rate of exit charge is 3%.

10. PERIODIC CHARGE

Class A Accumulation Shares, Class C Accumulation Shares and (when launched) Class E Accumulation Shares in the Fund currently attract a periodic charge of 1% per annum of the value of the Fund property attributable to them respectively and a maximum rate of 1.5% is permitted.

Class B Accumulation Shares, Class D Accumulation Shares and (when launched) Class F Accumulation Shares in the Fund do not currently attract a periodic charge although a maximum rate of 1.5% of the Fund property attributable to them respectively is permitted.

Class G Accumulation Shares, Class H Accumulation Shares and (when launched) Class I Accumulation Shares in the Fund are Performance Fee Share Classes and currently attract (a) a periodic charge of 0.6% per annum of the value of the Fund property attributable to them respectively and a maximum rate of 1.5% is permitted and (b) a performance fee of 20% as described below.

The periodic charge accrues daily based on the previous day's NAV and is payable in arrears on the last Business Day of each month.

The ACD's policy is to pay all of the periodic charge out of the income property of the Fund and to have recourse to the capital property only to the extent that the income property is insufficient.

11. PERFORMANCE FEE

The methodology for calculating the Performance Fee in respect of each Performance Fee Share Class is set out in Section 4.2 and 4.3 of the Prospectus and the following apply in relation to each Performance Fee Share Class in this Fund:

Performance Period	1 October to 30 September
Performance Fee Rate	20%
Performance Target	MSCI World Total Return Index (net dividends reinvested)

The MSCI World Total Return Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets and consists of the following 24 developed market country indices: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom, and the United States

A High Water Mark applies.

12. VALUATION POINT

5.00 p.m. EST in New York on the relevant Dealing Day.

13. MINIMUM INVESTMENT CRITERIA

For Class A Accumulation Shares, Class B Accumulation Shares and Class G Accumulation Shares the minimum initial subscription is US\$100,000 and the minimum further subscription is US\$10,000.

For Class C Accumulation Shares, Class D Accumulation Shares and Class H Accumulation Shares the minimum initial subscription is £100,000 and the minimum further subscription is £10,000.

For Class E Accumulation Shares, Class F Accumulation Shares and Class I Accumulation Shares (in each case when launched) the minimum initial subscription is €100,000 and the minimum further subscription is €10,000.

These minima may be waived at the discretion of the ACD.

14. DILUTION ADJUSTMENT THRESHOLD

The ACD's policy is to apply a dilution adjustment whenever there are net inflows or net outflows of USD\$250,000 (or currency equivalent) or more. The ACD may raise this threshold without giving prior written notice to Shareholders.

15. FINAL INCOME ALLOCATION DATE

28 February

16. INTERIM INCOME ALLOCATION DATE

31 August

APPENDIX 6 MAJEDIE TORTOISE FUND

(formerly known as Majedie Asset Tortoise Fund)

1. CLASSIFICATION OF THE FUND

UCITS Scheme.

2. INVESTMENT OBJECTIVES AND POLICY

The Fund aims to achieve positive absolute returns in all market conditions over rolling three-year periods with less volatility than a conventional long-only equity fund. An absolute return is not guaranteed and the Fund may experience periods of negative return. The Fund can offer no guarantee of a return of capital originally invested.

The Fund will primarily seek to achieve its objective by investment in a concentrated portfolio of long positions in equities and using derivatives to take synthetic short positions. The Fund will invest primarily in equity securities listed on eligible markets located in EEA Member States, Australia, Canada, Hong Kong, Japan, New Zealand, Switzerland or the United States of America. However, it may invest in the equity securities of companies incorporated anywhere in the world.

The Fund will hold a maximum of 40 long positions, representing an overall net position of up to 100% of NAV (where "**net position**" means the position once synthetic short positions have been subtracted from long positions). The long positions will be achieved by direct purchases of securities. The maximum number of synthetic short positions is 40, which may represent up to 100% of the Fund's NAV, and each synthetic short position will not exceed 10% of the Fund's NAV. The synthetic short positions will ordinarily be achieved by the use of CFDs placed with approved counterparties, but other derivatives may also be used to achieve synthetic short positions. Where index derivatives are used for efficient portfolio management, those derivatives positions will not be counted towards the maximum of long positions nor the maximum of synthetic short positions.

The total exposure of the Fund will not exceed 200% of NAV and will be monitored on a daily basis to ensure that the total exposure does not exceed this stated maximum.

There is no policy to restrict investment to particular industry or economic sectors. There will be no borrowing for investment purposes.

No more than 10% of scheme property may be invested in other collective investment schemes.

The Fund may also hold and invest up to 100% of its NAV in near cash assets. The situations in which near cash assets will be held may include: (i) where the Investment Manager considers that there are not sufficient suitable investment opportunities; (ii) to protect the value of the Fund and maintain liquidity at times in falling or volatile markets; (iii) to facilitate the Fund's ability to meet redemption requests; and (iv) where the Fund has received subscriptions that are awaiting investment. Subject to the ongoing need to provide adequate liquidity to meet the foreseeable level of redemptions at all times, there is no minimum level of liquidity that the Fund may hold at any one time."

2.1 Use of Derivatives

The use of Derivatives for investment purposes will result in the creation of financial leverage and any such leverage will be within the limits set down by the Authority as laid out within the Sourcebook. The use of Derivatives will be fully supported by a risk management process which enables it to measure, monitor and manage accurately the various risks associated with Derivatives and to ensure that the use of Derivatives continue to be commensurate with the overall investment objectives of the Fund. The Company will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

The following is a description of the types of financial derivative instruments which may be used by the Fund:

(a) CFDs

The Fund may enter into CFDs as a replacement for direct investment in transferable securities in order to avail of cost or liquidity advantages of Derivatives over transferable securities. CFDs are also utilised to obtain synthetic short exposures to particular issuers. CFDs allow a direct exposure to the market, a sector or an individual security. Unlike a forward contract, there is no final maturity, the position being closed out at the discretion of the position taker. CFDs are used to gain exposure to share price movements without buying the shares themselves. A CFD on a company's shares will specify the price of the shares when the contract was started. The contract is an agreement to pay out cash on the difference between the starting share price and when the contract is closed. In a long CFD contract, the counterparty agrees to pay the Fund the amount, if any, by which the notional amount of the CFD contract would have increased in value had it been invested in the underlying security or securities, plus any dividends that would have been received on those stocks. In a

short CFD contract, the counterparty agrees to pay the Fund the amount, if any, by which the notional amount of the CFD contract would have decreased in value had it been invested in the underlying security or securities. The Fund must also pay the counterparty the value of any dividends that would have been received on those stocks. CFDs are OTC Derivatives and the counterparty will usually be an investment bank or broker.

(b) Futures

Futures are contracts to buy or sell a standard quantity of a specific asset (or, in some cases, receive or pay cash based on the performance of an underlying asset, instrument or index) at a pre-determined future date and at a price agreed through a transaction undertaken on an exchange. The commercial purpose of futures contracts can be to allow investors to hedge against market risk or gain exposure to the underlying market. Since these contracts are marked-to-market daily, investors can, by closing out their position, exit from their obligation to buy or sell the underlying assets prior to the contract's delivery date. Using futures to achieve a particular strategy instead of using the underlying or related security or index may result in lower transaction costs being incurred.

(c) Forwards

The Fund may buy and sell currencies on a spot and forward basis, subject to the limits and restrictions adopted by the Authority from time to time, to reduce the risks of adverse changes in exchange rates, as well as to enhance the return of the Fund by gaining an exposure to a particular foreign currency. In forward foreign exchange contracts, the contract holders are obligated to buy or sell from another counterparty a specified amount of one currency at a specified price with another currency on a specified future date. Forward contracts may be cash settled between the parties. This reduces the Fund's exposure to changes in the value of the currency it will deliver and increases its exposure to changes in the value of the currency it will receive for the duration of the contract. The effect on the value of the Fund is similar to selling securities denominated in one currency and purchasing securities denominated in another currency. A contract to sell currency would limit any potential gain, which might be realised if the value of the hedged currency increases. These contracts cannot be transferred but they can be closed out by entering in a reverse contract. Suitable hedging transactions may not be available in all circumstances and there can be no assurance that the Fund will engage in such transactions at any given time or from time to time. Also, such transactions may not

be successful and may eliminate any chance for the Fund to benefit from favourable fluctuations in relevant foreign currencies. The commercial purpose of a forward foreign exchange contract may include, but is not limited to, altering the currency exposure of securities held, hedging against exchange risks, increasing exposure to a currency, and shifting exposure to currency fluctuations from one currency to another and hedging classes denominated in a currency (other than the Base Currency) to the Base Currency. Currency forwards are transacted as OTC Derivatives.

(d) Options

There are two forms of options, put options and call options. Put options are contracts sold for a premium that gives one party (the buyer) the right, but not the obligation, to sell to the other party (the seller) of the contract, a specific quantity of a particular product or financial instrument at a specified price. Call options are similar contracts sold for a premium that gives the buyer the right, but not the obligation, to buy from the seller of the option. Options may also be cash settled. The Fund may be a seller or buyer of put and call options.

3. RISK FACTORS

The general risk factors set out in Paragraph 7.4 (*Risk factors*) of Part 1 apply to the Fund, in addition to the following specific risk factors.

AN INVESTMENT IN THE SHARES OF THE FUND IS SPECULATIVE AND INVOLVES A DEGREE OF RISK. ACCORDINGLY, PROSPECTIVE INVESTORS SHOULD CONSIDER THE FOLLOWING ADDITIONAL RISK FACTORS. THESE RISK FACTORS MAY NOT BE A COMPLETE LIST OF ALL RISK FACTORS ASSOCIATED WITH AN INVESTMENT IN THE FUND.

3.1 Derivatives general risk

Different Derivative instruments (and the manner in which trades are implemented) involve levels of exposure to risk. Investors should be aware of the following points:

(a) Off-exchange transactions

While some off-exchange markets are highly liquid, transactions in off-exchange, or non-transferable, Derivatives may involve greater risk than investing in on-exchange Derivatives because there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of the position arising from an off-exchange transaction or to assess the exposure to risk. Bid and offer prices need not be

quoted, and even where they are, they will be established by dealers in these instruments and, consequently, it may be difficult to establish what a fair price is.

(b) Clearing house protection

On many exchanges, the performance of a transaction by a broker (or the third party with whom he is dealing on the Fund's behalf) is "guaranteed" by the exchange or clearing house. However, this guarantee is unlikely in most circumstances to cover the Fund as the customer and may not protect the Fund if the broker or another party defaults on its obligations to the Fund. There is no clearing house for traditional options, nor normally for off-exchange instruments which are not traded under the rules of a recognised or designated investment exchange.

(c) Suspensions of trading

Under certain trading conditions it may be difficult or impossible to liquidate a position. This may occur, for example, at times of rapid price movement if the price rises or falls in one trading session to such an extent that under the rules of the relevant exchange trading is suspended or restricted. Placing a stop-loss order will not necessarily limit losses to the intended amounts, because market conditions may make it impossible to execute such an order at the stipulated price.

(d) Insolvency

The insolvency or default of a broker involved with the Fund's transactions may lead to positions being liquidated or closed out without the Fund's consent. In certain circumstances, the Fund may not get back the actual assets which it lodged as collateral and the Fund may have to accept any available payment in cash.

(e) Correlation risk

Forward contracts and currency options may be used to seek to hedge against fluctuations in the relative values of the Fund's portfolio positions as a result of changes in currency exchange rates and market interest rates. Hedging against a decline in the value of portfolio positions does not eliminate fluctuations in the value of portfolio positions nor does it prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, therefore moderating the decline in the positions value. Such hedge transactions also limit the opportunity for gain if the value of the portfolio positions should increase. Moreover, it may not be possible for the Company to hedge against any exchange rate or interest rate

fluctuation which is so generally anticipated that the Company is not able to enter into a hedging transaction at a price sufficient to protect the Company from the decline in value of the portfolio position anticipated as a result of such a fluctuation.

(f) Settlement and counterparty risk

Settlement risk occurs when a transaction is not completed as duly agreed between the parties. This may be due to an error or omission in the necessary settlement, clearing or registration processes or due to the lack of creditworthiness of one of the parties to the transaction.

Counterparty risk occurs when a party to a contract fails to honour and defaults on its obligations under it. Funds which are party to these risks can incur considerable losses.

3.2 Derivatives instruments specific risks

The Fund will transact a number of Derivative instruments as part of its investment strategy. These instruments will include, but are not restricted to: First to default baskets, over the counter options, exchange traded futures and options, forward rate agreements and currency options.

(a) Forwards

A forward is a contract between two parties agreeing that at a certain time in the future one party will deliver a pre-agreed quantity of some underlying asset (or its cash equivalent in the case of non-tradable underlyings) and the other party will pay a pre-agreed amount of money for it. This amount of money is called the forward price. Once the contract is signed, the two parties are legally bound by its conditions: the time of delivery, the quantity of the underlying and the forward price. Forward contracts are instruments traded over-the-counter. Performance of a forward contract may be strongly influenced by movements in foreign exchange rates because currency positions held by the Fund may not correspond with the securities positions held.

(b) Futures

Futures are standardised forwards which are traded on exchanges. Transactions in futures involve the obligation to make, or to take, delivery of the underlying asset of the contract at a future date, or in some cases to settle the Fund's position with cash. They carry a high degree of risk. The "**gearing**" or "**leverage**" often obtainable in futures trading means that a small deposit or down payment can lead to large losses as well as gains. It also

means that a relatively small market movement can lead to a proportionately much larger movement in the value of the Fund's investment, and this can work against the Fund as well as for the Fund. Futures transactions have a contingent liability, and investors should be aware of the implications of this, in particular the margining requirements.

(c) Options

There are many different types of options with different characteristics subject to different conditions:

(i) Buying options

Buying options involves less risk than writing options because, if the price of the underlying asset moves against the Fund, the Fund can simply allow the option to lapse. The maximum loss is limited to the premium, plus any commission or other transaction charges. However, if the Fund buys a call option on an asset contract and the Fund later exercises the option, the Fund will acquire the asset. This will expose the Fund to the risks of that particular asset.

(ii) Writing options

If the Fund writes an option, the risk involved is considerably greater than buying options. The Fund may be liable for margin to maintain its position and a loss may be sustained well in excess of any premium received. By writing an option, the Fund accepts a legal obligation to purchase or sell the underlying asset if the option is exercised against the Fund, however far the market price has moved away from the exercise price. Certain options markets operate on a margined basis under which buyers do not pay the full premium on their option at the time they purchase it. In this situation the Fund may subsequently be called upon to pay the margin on the option up to the level of its premium. If the Fund fails to do so as required, the Fund's position may be closed or liquidated in the same way as a futures position.

(d) CFDs

Futures and options contracts can also be referred to, as well as include, CFDs. These can be options and futures on any index, as well as currency and interest rate swaps. However, unlike other futures and options, these contracts can only be settled in cash. Investing in a CFD carries the same risks as investing in a future

or option. Transactions in CFDs may also have a contingent liability and an investor should be aware of the implications of this as set out below.

(e) Contingent liability transactions

Contingent liability transactions which are margined require the Fund to make a series of payments against the purchase price, instead of paying the whole purchase price immediately. If the Fund trades in futures, CFDs or call options, the Fund may sustain a total loss of the margin it deposits with the broker to establish or maintain a position. If the market moves against the Fund, the Fund may be called upon to pay substantial additional margin at short notice to maintain the position. If the Fund fails to do so within the time required, its position may be liquidated at a loss and the Fund will be liable for any resulting deficit. Even if a transaction is not margined, it may still carry an obligation to make further payments in certain circumstances over and above any amount paid when the contract was entered into. Contingent liability transactions which are not traded on or under the rules of a recognised or designated investment exchange may expose you to substantially greater risks.

(f) Hedging

The Fund may utilise different financial instruments to seek to hedge against declines in the values of the Fund's positions as a result of market movements. Hedging against a decline in the value of the Fund's positions does not eliminate fluctuations in the values of the Fund's positions or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, therefore offsetting the decline in the Fund's positions' value. Such hedging transactions also limit the opportunity for gain if the value of the Fund's positions should increase. It may not be possible for the Fund to hedge against a change or event at a price sufficient to protect its assets from the decline in value of the Fund's positions anticipated as a result of such change. In addition, it may not be possible to hedge against certain changes or events at all, or the ACD may choose not to hedge all or any of the Fund's exposure.

BEFORE DETERMINING TO INVEST IN THE FUND, PROSPECTIVE INVESTORS SHOULD EVALUATE WHETHER THEY ACCEPT THE AFORESAID RISKS WHICH THEY WILL ASSUME BY BUYING SHARES OF THE FUND. THE FOREGOING LIST OF RISK FACTORS AND THOSE IN PARAGRAPH 7 OF PART 1 DOES NOT PURPORT TO BE A COMPLETE EXPLANATION OF THE RISKS INVOLVED IN THIS OFFERING.

PROSPECTIVE INVESTORS SHOULD READ THE ENTIRE PROSPECTUS AND FULLY EVALUATE ALL OTHER INFORMATION THAT THEY DEEM TO BE NECESSARY BEFORE DETERMINING TO INVEST IN THE FUND. AN INVESTMENT IN THE FUND MAY NOT BE APPROPRIATE FOR ALL INVESTORS.

4. TYPES OF SHARE IN ISSUE

Class A Accumulation Shares (Sterling).

Class B Accumulation Shares (Sterling).

Class C Accumulation Shares (Sterling).

Class H Accumulation Shares (US Dollars).

Class I Accumulation Shares (Euro).

Class B Accumulation Shares are only available for purchase by investors with the prior agreement of the ACD (which it may give or withhold at its discretion).

5. BASE CURRENCY

£ Sterling.

6. DEALING DAY

Every Business Day.

7. DEALING DEADLINE

For both subscriptions and redemptions, 5.00 p.m. (London Time) on the relevant Dealing Day.

8. PRELIMINARY CHARGE

For all Classes of Shares in the Fund there is no preliminary charge.

9. EXIT CHARGE

For all Classes of Shares in the Fund there is no exit charge

10. PERIODIC CHARGE

Class A Accumulation Shares in the Fund have a periodic charge of 2.5% per annum of the value of the Fund property attributable to Class A Accumulation Shares.

Class B Accumulation Shares in the Fund do not have a periodic charge.

Class C Accumulation Shares, Class H Accumulation Shares and Class I Accumulation Shares in the Fund are Performance Fee Share Classes and have (a) a periodic charge of 1.5% per annum of the value of the Fund property attributable to them respectively and (b) a performance fee of 20% as described below.

The periodic charge accrues daily based on the previous day's NAV and is payable in arrears on the last Business Day of each month.

The ACD's policy is to pay all of the periodic charge out of the income property of the Fund and to have recourse to the capital property only to the extent that the income property is insufficient.

11. PERFORMANCE FEE

The methodology for calculating the Performance Fee in respect of each Performance Fee Share Class is set out in Section 4.2 and 4.3 of the Prospectus and the following apply in relation to each Performance Fee Share Class in this Fund:

Performance Period	1 October to 30 September
Performance Fee Rate	20%
Performance Target	5% per annum

A High Water Mark applies.

12. VALUATION POINT

5.00 p.m. EST in New York on the relevant Dealing Day.

13. MINIMUM INVESTMENT CRITERIA

For Class A Accumulation Shares the minimum initial subscription is £10,000,000 and the minimum further subscription is £100,000.

For Class B Accumulation Shares and Class C Accumulation Shares the minimum initial subscription is £100,000 and the minimum further subscription is £5,000.

For Class H Accumulation Shares the minimum initial subscription is US\$100,000 and the minimum further subscription is US\$5,000.

For Class I Accumulation Shares the minimum initial subscription is €100,000 and the minimum further subscription is €5,000.

These minima may be waived at the discretion of the ACD.

14. **DILUTION ADJUSTMENT THRESHOLD**

The ACD's policy is to apply a dilution adjustment whenever there are net inflows or net outflows of £250,000 or more. The ACD may raise this threshold without giving prior written notice to Shareholders.

15. **FINAL INCOME ALLOCATION DATE**

28 February

16. **INTERIM INCOME ALLOCATION DATE**

31 August

**APPENDIX 7
MAJEDIE UK INCOME FUND**

(formerly known as Majedie Asset UK Income Fund)

1. CLASSIFICATION OF THE FUND

UCITS Scheme.

2. INVESTMENT OBJECTIVES AND POLICY

The Fund aims to maintain an attractive yield, whilst outperforming the FTSE All-Share index over the long term.

The Managers intend to pursue this objective by holding a high conviction portfolio of equity investments, selected by the Managers on the basis of detailed fundamental and macroeconomic analysis.

Particular attention may be placed on investment opportunities where the Managers believe:

- (a) the economic prospects for the company, especially return on invested capital and potential for growth, may generally improve in the future;
- (b) the company is pursuing a strategy that could in the opinion of the Managers significantly improve its competitive position versus peers;
- (c) balance sheet analysis and management actions generally support the hypothesis that a steady income for shareholders can be expected without placing undue strain on the future prospects of the company; and
- (d) the current valuation does not, in the opinion of the Managers, reflect (a), (b) and (c) above.

The Fund is likely to have a relatively concentrated portfolio of approximately 40 to 60 holdings at any given time.

At least 80% of NAV of the Fund will be invested in UK equities. It is intended that the Fund will be invested predominantly in equities which, or the underlying securities of which, are listed or traded on one or more eligible markets. These securities will mainly be incorporated in the UK, with the balance invested internationally. In pursuing the objective, the Managers may consider other investments that they consider appropriate, in accordance with the Company's investment powers. These may include equity related securities (such as convertible bonds and warrants), preference shares, collective investment schemes, fixed interest securities, cash and cash equivalents. Otherwise there are no

specific restrictions in choice of investments, either by company size, industry or geography.

No more than 10% of the scheme property may be invested in other collective investment schemes.

There will be no borrowing for investment purposes.

3. TYPES OF SHARE IN ISSUE

Class A Income Shares.

Class B Accumulation Shares.

Class X Accumulation Shares.

Class X Income Shares.

Class B Accumulation Shares, Class X Accumulation Shares and Class X Income Shares are only available for purchase by investors with the prior agreement of the ACD (which it may give or withhold at its discretion).

4. BASE CURRENCY

£ Sterling.

5. DEALING DAY

Every Business Day.

6. DEALING DEADLINE

In respect of subscriptions and redemptions, 12.00 noon (London Time) on the relevant Dealing Day.

7. PRELIMINARY CHARGE

For all Classes of Shares in this Fund there is no preliminary charge.

8. EXIT CHARGE

For all Classes of Shares in this Fund there is no exit charge.

9. PERIODIC CHARGE

Class A Income Shares in the Fund have a periodic charge of 1.5% per annum of the value of the Fund property attributable to Class A Income Shares.

Class B Accumulation Income Shares in the Fund have a periodic charge of 1.0% per annum of the value of the Fund property attributable to Class A Income Shares.

Class X Accumulation Shares and Class X Income Shares in the Fund have a periodic charge of 0.75% per annum of the value of the Fund property attributable to Class X Accumulation Shares and Class X Income Shares respectively.

The periodic charge accrues daily based on the previous day's NAV and is payable in arrears on the last Business Day of each month.

The ACD's policy is to pay all of the periodic charge out of the capital property of the Fund.

10. VALUATION POINT

12.00 noon (London time) on the relevant Dealing Day.

11. MINIMUM INVESTMENT CRITERIA

For Class A Income Shares the minimum initial subscription is £10,000 and the minimum further subscription is currently £1,000 (but this will increase to £5,000 on and from 1 September 2013).

For Class B Accumulation Shares, Class X Accumulation Shares and Class X Income Shares the minimum initial subscription is £100,000 and the minimum further subscription is currently £1,000 (but this will increase to £5,000 on and from 1 September 2013).

These minima may be waived at the discretion of the ACD.

12. DILUTION ADJUSTMENT THRESHOLD

The ACD's policy is to apply a dilution adjustment whenever there are net inflows or net outflows of £250,000 or more. The ACD may raise this threshold without giving prior written notice to Shareholders.

13. FINAL INCOME ALLOCATION DATE

28 February

14. INTERIM INCOME ALLOCATION DATE

31 August