

EQUITILE INVESTMENTS LTD

Equitile Investments OEIC

PROSPECTUS

EQUITILE RESILIENCE FUND

Valid As At

11th October 2024

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IMPORTANT: IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS PROSPECTUS YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER.

1. Equitable Investments OEIC

This document is the 'Prospectus' of Equitable Investments OEIC (the “**Company**”), an OEIC which is constituted as an investment company with variable capital with registered number IC001053 and was authorised by the FCA on 16 December 2015. The Company’s FCA product reference number is 722561. This Prospectus is valid as at the date specified on the cover of this document.

The head office of the Company 20 St Dunstan’s Hill, London EC3R 8HL United Kingdom, which is also the address of the place in the UK for service on the Company of notices or other documents required or authorised to be served on it. Shareholders are not liable for the debts of the Company beyond the amount subscribed. The base currency of the Company is pounds sterling. The minimum size of its share capital is one hundred pounds (£100) and the maximum size is one hundred billion pounds (£100,000,000,000). The Company has an unlimited duration.

The Company is organised as an umbrella company for the purposes of the OEIC Regulations comprising separate Sub-Funds. The Sub-Fund shall have a segregated portfolio of assets and, accordingly, the assets of the Sub-Fund are allocated exclusively to that Sub-Fund and shall not be used or made available to discharge (directly or indirectly) the liabilities of, or claims against, any other person or body, including the Company or any other Sub-Funds that may be established under the Company on a later date and shall not be available for any other purpose.

This Prospectus complies with the requirements of COLL 4.2 of the COLL Sourcebook. Key investor information documents for each class of Shares available in the Sub-Fund referred to in this Prospectus, including historic performance data where available, are available on request from the Company.

The Company is a UK UCITS scheme and is subject to the rules of the FCA as set out in the COLL Sourcebook. Neither the Company nor the Sub-Fund is a feeder UCITS or will hold any units or shares of a feeder UCITS.

As of the date of this Prospectus, the Company has one Sub-Fund, the Equitable Resilience Fund, Details of the Sub-Fund are set out in Appendix 1. Save where the context requires otherwise, references to a Sub-Fund in this Prospectus shall be references to Equitable Resilience Fund.

The Sub-Fund will be charged with the liabilities and expenses attributable to that Sub-Fund and within the Sub-Fund charges will be allocated between classes of Shares in accordance with the terms of issue of the Shares of those classes. Any assets, liabilities, expenses, costs or charges not attributable to a particular Sub-Fund may be allocated by the Company in a manner which it believes to be fair to the Shareholders generally within the Company. This will

normally be pro rata to the net asset value of the relevant Sub-Funds available at the time.

The OEIC Regulations provide for segregated liability between Sub-Funds. The concept of segregated liability is relatively new. Accordingly, where claims are brought by local creditors in foreign courts or under foreign law contracts, it is not yet known how those foreign courts will react to the concept of segregated liability under the OEIC Regulations.

2. Distribution

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

This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which an offer or solicitation is not lawful or in which the person making such an offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such a solicitation. It is the responsibility of any persons in possession of this Prospectus and any persons wishing to apply for Shares in the Sub-Fund to inform themselves of and to observe all applicable laws and regulations of any relevant jurisdiction. Prospective Shareholders should inform themselves as to the legal requirements of applying for Shares and any applicable exchange control regulations and tax treatment of their investment in the Sub-Fund in the countries of their respective citizenship, residence, domicile or incorporation.

US Persons are not permitted to subscribe for the Shares. The Shares have not and will not be registered under the United States Securities Act 1933, the United States Investment Company Act 1940, or the securities laws of any of the states of the United States of America and may not be directly or indirectly offered or sold in the United States of America or for the account or benefit of any US Person, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the United States Securities Act 1933, the United States Investment Company Act 1940 and similar requirements of such state securities law.

Further details regarding distribution in specific jurisdictions are provided in Appendix 6.

Notwithstanding the above, all Shareholders must meet the eligibility criteria set out in this Prospectus and the Instrument of Incorporation. In particular, all Shareholders must meet the tax and investment criteria for investment in the relevant Share class (as set out in Appendix 1).

3. Glossary

ACD	Equitile Investments Ltd, the authorised corporate director appointed under the terms of the ACD Agreement and its successors as ACD.	Company	Equitile Investments OEIC.
ACD Agreement	The ACD agreement between the ACD and the Company.	Depository	HSBC Bank plc, to whom the Scheme Property is entrusted for safekeeping and who is appointed to act as the depository of the Company and its successors as depository of the Company.
Administrator	HSBC Bank plc of 8 Canada Square, London E14 5HQ.	Depository Services Agreement	The depository services agreement between the Company and HSBC Bank plc under which HSBC Bank plc agrees to provide, among others, safekeeping services in relation to the Scheme Property as more particularly described in section 5 of this Prospectus.
Auditor	Azets Audit Services of 2nd Floor, Regis House, 45 King William Street. London EC4R 9AN, UK	EEA	European Economic Area.
Business Day	A day which is not a Saturday or Sunday or any other day recognised in England and Wales as a public holiday or any other day on which banks or the London Stock Exchange plc are not open for normal business in the UK. In addition, given that the Sub-Fund invests in the Master Fund which may invest outside the UK, the Company may also take into account whether relevant local exchanges in which the Master Fund invests are open, and may elect to treat such closures as non-business days. Where possible, Shareholders will be notified in advance of such cases.	Eligible Counterparty	An investor that is considered to be an eligible counterparty or that may, on request, be treated as an eligible counterparty within the meaning of Annex II of Directive 2004/39/EC (Markets in Financial Instruments Directive).
COLL Sourcebook	The collective investment schemes sourcebook which forms part of the FCA Handbook, as amended from time to time. References to rules or guidance in the COLL	Eligible Derivatives Market	A derivatives market which is listed in Schedule 1.
		EU	The European Union.
		Extraordinary Resolution	A resolution passed by a majority of not less than three-quarters of the votes validly cast (whether on a show of hands or on a poll) for and against the resolution at a general meeting or (as the case may be) class meeting of

	the Shareholders, of which notice specifying the intention to propose the resolution as an extraordinary resolution has been duly given in accordance with the COLL Sourcebook.	Master Services Agreement	The master services agreement between the Company and HSBC Bank plc under which HSBC Bank plc agrees to provide, among others, administration, fund accounting, transfer agency and registrar services as more particularly described in sections 6 to 8 of this Prospectus.
FCA	The Financial Conduct Authority or any other relevant successor regulatory body from time to time.	Member State	A member state of the EU.
FCA Handbook	The FCA's handbook of rules and guidance, as amended from time to time.	Normal Business Hours	The hours between 9.00 a.m. and 5.30 p.m. on any Business Day.
Form	The application form to subscribe for Shares in the Sub-Fund (including appropriate documentation to confirm the tax status of the Shareholder).	Non-UCITS retail scheme	A scheme complying with the requirements of the COLL Sourcebook for a non-UCITS retail scheme.
FOS	Financial Ombudsman Service Limited.	OEIC	An open-ended investment company established under the OEIC Regulations.
FSCS	Financial Services Compensation Scheme.	OEIC Regulations	The UK Open-Ended Investment Companies Regulations 2001/1228, as amended or replaced from time to time.
FSMA	Financial Services and Markets Act, 2000 (as amended or replaced from time to time).	OTC	Over-the-counter.
Hedged Share	A Share in a Hedged Share Class.	PRA	Prudential Regulation Authority or any other relevant successor body from time to time.
Hedged Share Class	A class of Shares in the Sub-Fund that includes a hedging strategy as described in Appendix 1.	Register	The register of Shareholders for the Sub-Fund.
Hire Act	Hiring Incentives to Restore Employment Act, 2010.	Registrar	HSBC Bank plc of 8 Canada Square, London E14 5HQ.
HMRC	HM Revenue & Customs.	Safekeeping Function	The function of safekeeping all Scheme Property (other than tangible moveable property).
Instrument of Incorporation	The constitutive legal document of the Company.	Scheme Property	The scheme property of the Company or the Sub-Fund (as

	appropriate) required under the FCA Handbook to be given for safekeeping to the Depository.		provisions relating to undertaking for collective investment in transferable securities (UCITS) (No. 2009/65/EC), as amended or replaced from time to time.
Service Providers	The service providers to the Company, including the Administrator, the Registrar and the Auditor, whose details are set out herein.	UK or United Kingdom	The United Kingdom of Great Britain and Northern Ireland.
		US Persons	Any person resident in the United States of America or any other person specified in Regulation S under the United States Securities Act 1933, as amended from time to time and as may be further supplemented by the Company.
Share	A share in the Sub-Fund (including larger or smaller denomination shares).		
Shareholder	In relation to a class of Shares in the Sub-Fund, a person who is on the Register as a shareholder in that class at the relevant time.		
Subscription Documents	Collectively, the Form and the Prospectus.	Valuation Point	The point, whether on a periodic basis or for a particular valuation, at which the Company carries out a valuation of the Scheme Property for the Sub-Fund for the purpose of determining the price at which Shares of a class may be issued, cancelled or redeemed.
Sub-Fund	A sub-fund of the Company with segregated liability and detailed in Appendix 1 from time to time, currently being the Equitile Resilience Fund.		
TBAs	"To Be Announced" securities.	VAT	Value added tax under the UK Value Added Tax Act 1994.
Transfer Agent	HSBC Bank plc of 8 Canada Square, London E14 5HQ.		
UCITS	An undertaking for collective investment in transferable securities established in the EEA in accordance with the UCITS Directive.		
UK UCITS	An authorised collective investment scheme constituted as a UK UCITS in accordance with the FCA Rules.		
UCITS Directive	The European Parliament and Council Directive on the coordination of laws, regulations and administrative		

4. The ACD

The ACD (Registered Company No. 09459099) is a limited company incorporated in England and Wales on 25 February 2015 under the Companies Act 2006. The ACD is a wholly owned subsidiary of Equitile Ltd. The ACD is authorised and regulated by the FCA with permission to carry on the activity of 'managing a UK UCITS' in the UK.

The ACD's principal activity is investment management. It has authority as a delegate of the Company to make decisions on behalf of the Company including:

- (a) the management, investment, realisation and reinvestment of the Scheme Property in

accordance with the investment objective and policy of the Sub-Fund; and

- (b) the reclaiming of, or enabling the Depositary to reclaim, all refunds due of tax associated with dividends, interest or otherwise in respect of the Scheme Property.

The ACD is authorised to deal on behalf of the Sub-Fund. No commission is payable to the ACD for any such deal. The ACD is not a broker fund adviser in relation to the Company.

The Company has no directors other than the ACD. The ACD was appointed by the Company pursuant to the Instrument of Incorporation and the terms of the ACD Agreement, available to the Shareholders upon request. The ACD may delegate discretionary investment management services and administrative and registrar services to third parties. Further details of the services currently delegated are set out in sections 6 to 8 of this prospectus.

Subject to the regulations, the Company may terminate the ACD Agreement by six months' notice in writing to the ACD and the ACD may without cause terminate the ACD Agreement immediately in writing to the Company, save that such termination shall not take effect until a replacement authorised corporate director is appointed by the Company.

The ACD Agreement will also terminate automatically upon:

- (a) the ACD ceasing to be appropriately authorised by the FCA in its capacity as authorised corporate director of the Company;
- (b) the ACD ceasing to be the operator of the Company for any reason whatsoever; or
- (c) if the Company is wound up or ceases to be authorised by the FCA.

Subject to the regulations, either party may terminate the ACD Agreement at any time by notice in writing to the other party:

- (a) if the other party commits a material breach of its obligations under the ACD Agreement and said breach, where it is capable of remedy, is not remedied within 30 days of receipt of written notice to do so from the other party; or
- (b) if a resolution is passed or an order made for the winding-up, dissolution or administration of the other party or if the other party is declared insolvent or if an administrator, administrative receiver, manager or provisional liquidator (or similar officer to any of the foregoing in the relevant jurisdiction) is appointed over the whole or a substantial part of the other party or its assets or undertaking.

To the extent permitted by the regulations, the Company will indemnify the ACD against all claims, actions, proceedings, investigations, demands, judgments and awards which may be brought, made, threatened or alleged against or otherwise involve the

ACD and all losses suffered or incurred by the ACD in each case by reason of:

- (a) any act or thing done by the ACD as a result of any negligent or wrongful direction or requirement of the Company given or made under the terms of this Agreement;
- (b) any indemnity having been given with the approval of the Company by the ACD to the appointed depositary of the Company; and
- (c) the ACD's proper performance of its powers, duties, authorities or discretions as the Company's authorised corporate director,

provided that the indemnity shall not apply to any liability arising as a direct or indirect result of fraud, negligence, wilful default or a breach of the regulations by the ACD or to the extent that the relevant loss has been recovered from another person other than the ACD's insurers.

The registered office of the ACD is 2nd Floor, Regis House, 45 King William Street, London, EC4R 9AN.

The head office of the ACD is 22 Tudor St, London EC4Y 0AY, United Kingdom.

The issued and paid-up share capital of the ACD is £900,000.

The executive directors of the ACD, as at the date of this Prospectus, are named below:

G Cooper
N Hellewell
T J Furuholmen
Xiyang He

The non-executive directors of the ACD are:

Gerald Ashley
Jakob Iqbal
Carsten Wilhelmsen

G Cooper, N Hellewell, T J Furuholmen and Xiyang He are also directors on the board of Equitile Ltd. None of the directors' and non-executive directors' main business activities (which are not connected with the business of the ACD or any of its associates) are of significance to the Company's business.

5. The Depositary

(a) Appointment of the Depositary

Pursuant to the agreement dated 8 August 2016 between the Company, Equitile Investments Limited and the Depositary (the "**Depositary Services Agreement**") and for the purposes of and in compliance with The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2015, Commission Delegated Regulation (EU) 2016/438 of 17.12.2015 supplementing Directive 2009/65/EC of the European Parliament and of the Council with regard to obligations of depositaries (together, "**the UCITS Legislation**") and the relevant

FCA Rules, the Depositary has been appointed as depositary to the Company.

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

(b) Duties of the Depositary

The Depositary provides services to the Company as set out in the Depositary Services Agreement and, in doing so, shall comply with the UCITS Legislation, the OEIC Regulations and the relevant FCA Rules.

The Depositary's duties include the following:

- Ensuring that the Company cash flows are properly monitored and that all payments made by or on behalf of applicants upon the subscription to shares of the Company have been received.
- Safekeeping the assets of the Company, which includes (i) holding in custody all financial instruments that may be held in custody; and (ii) verifying the ownership of other assets and maintaining records accordingly.
- Ensuring that issues, redemptions and cancellations of the shares of the Company are carried out in accordance with applicable law and the relevant FCA Rules.
- Ensuring that the value of the shares of the Company is calculated in accordance with applicable law and the relevant FCA Rules.
- Carrying out the instructions of the Company and Equitle Investments Limited, unless they conflict with applicable law and the relevant FCA Rules.
- Ensuring that in transactions involving the Company's assets any consideration is remitted to the Company within the usual time limits.
- Ensuring that the Company's income is applied in accordance with applicable law and the relevant FCA Rules.

(c) Delegation

The Depositary may delegate its Safekeeping Functions subject to the terms of the Depositary Services Agreement. The Depositary has delegated to the delegates listed in Schedule 3 the custody of certain Scheme Property entrusted to the Depositary for safekeeping in accordance with the terms of written

agreements between the Depositary and those delegates.

From time to time actual or potential conflicts of interest may arise between the Depositary and its delegates, for example, where a delegate is an affiliate of the Depositary, the Depositary may have a financial or business interest in that delegate.

Included in the Depositary's conflict of interest policy are procedures to identify, manage and monitor on an on-going basis any potential conflict of interest involving its delegates.

Up to date information regarding the name of the Depositary, any conflicts of interest and delegations of the Depositary's Safekeeping Functions will be made available to Shareholders on request.

(d) Shareholders' rights toward the Depositary

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

(e) Liabilities of the Depositary

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

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

The Depositary will not be liable where the loss of financial instruments arises as a result of an external event beyond the reasonable control of the Depositary, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. The Depositary shall not be liable for any indirect, special or consequential loss. In the event there are any changes to the Depositary's liability under the UCITS Legislation and the relevant FCA Rules, Equitle Investments Limited will inform Shareholders of such changes without delay.

(f) Termination of the Depositary Services Agreement

The appointment of the Depositary under the Depositary Services Agreement may be terminated without cause by not less than 180 days written notice provided that the Depositary Services Agreement does not terminate until a replacement Depositary has been appointed.

(g) Conflict of interests

From time to time actual or potential conflicts of interest may arise between the Depositary and its

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

Actual or potential conflicts of interest may arise between the Company, the Shareholders or the ACD and the Depositary. For example, such actual or potential conflict may arise because the Depositary is part of a legal entity or is related to a legal entity which provides other products or services to the Company. The Depositary may have a financial or business interest in the provision of such products or services, or receive remuneration for related products or services provided to the Company or may have other clients whose interests may conflict with those of the Company, the Shareholders or the ACD.

In addition, actual or potential conflicts of interest may also arise between the Company, Equitime Investments Limited, and the Shareholders on the one hand and the Depositary on the other hand.

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

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

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

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

6. The Registrar

The Company is responsible for maintaining the Register under the OEIC Regulations. Under the Master Services Agreement, the Company has delegated its registrar functions to HSBC Bank plc, which in turn has sub-delegated those registrar functions to HSBC Securities Services (Ireland) Limited of 1 Grand Canal Square, Grand Canal Harbour, Dublin 2, Ireland. The Register may be inspected at the registered address and head office of HSBC Bank plc, as described in section 5 above, by or on behalf of the Shareholders on any Business Day during Normal Business Hours.

The Register is conclusive evidence of the title to Shares except in the case of any default in payment or transfer to the Company of cash or other property due and the Depositary and the Company are not obliged to take notice of any trust or equity or other interest affecting the title to any of the Shares.

7. The Administrator

Under the Master Services Agreement, HSBC Bank plc of 8 Canada Square, London E14 5HQ will act as the administrator.

8. Transfer Agent

Under the Master Services Agreement, the Company has delegated its transfer agency functions to HSBC Bank plc, which in turn has sub-delegated those registrar functions to HSBC Securities Services (Ireland) Limited.

9. The Auditor

Azets Audit Services of 2nd Floor, Regis House, 45 King William Street. London, EC4R 9AN UK are the auditor of the Company. The Auditor's responsibility is to audit and express an opinion on the financial statements of the Company in accordance with applicable law and auditing standards.

10. Shareholder's Rights against Service Providers

The Company is reliant on the performance of the Service Providers. No Shareholder will have any direct contractual claim against any Service Provider with respect to such Service Provider's default. This is without prejudice to any right a Shareholder may have to bring a claim against any Service Provider that has been authorised by the FCA, such as the ACD or the Depositary under Section 138D of FSMA (which

provides that the breach of an FCA rule by an FCA authorised person is actionable by a private person who suffers loss as a result), or any tortious or contractual cause of action. Shareholders who believe they may have a claim under Section 138D of FSMA or in tort or contract, against any Service Provider authorised by the FCA in connection with their investment in the Company, should consult their legal adviser.

Shareholders who are "Eligible Complainants" for the purposes of the FCA "Dispute Resolution: Complaints" rules (natural persons, micro enterprises and certain charities or trustees of a trust) are able to refer any complaints against the ACD to the FOS (further details of which are available in section 33.f) and at www.financial-ombudsman.org.uk).

Additionally, Shareholders may be eligible for compensation under the FSCS if they have claims against the ACD, or another FCA authorised Service Provider which is in default. As set out in section 33.g), there are limits on the amount of compensation available. Further information about the FSCS can be found at www.fscs.org.uk. To determine eligibility in relation to the FSCS, Shareholders should consult the website above and speak to their legal advisers.

See section 5(e) above for a summary of the Depository's liability to the Company.

11. Subscription and Redemption of Shares

(a) Liquidity management

The ACD maintains a liquidity management policy to monitor the liquidity risk of the Company, which includes, among other tools and methods of measurement, the use of stress tests under both normal and exceptional circumstances.

The liquidity management systems and procedures employed by the ACD enable it to measure the liquidity of the Sub-Fund's portfolio against thresholds set by reference to its redemption policy. The ACD seeks to ensure that the Company and the Sub-Fund will remain within the liquidity limits set for it. The ACD is also able to apply various tools and arrangements necessary to respond appropriately to redemption requests. In normal circumstances, redemption requests will be processed as set out in section 11(d) below. The ACD may, however, temporarily suspend redemptions in certain circumstances as set out in section 110.

(b) Subscription for Shares

Subject to the policy on pricing (see section 16), an application to subscribe for Shares in the Sub-Fund for the first time must be made in writing to the Company. In order to subscribe for Shares, Shareholders must complete the Form. By doing so, the Shareholders agree to subscribe for the Shares and be bound by the terms of the Prospectus and the Instrument of Incorporation. All Shareholders are deemed to have notice of the provisions of the Instrument of Incorporation, copies of which are available as described in section 33.i) below. The Subscription Documents are governed by English law and the

courts of England shall have jurisdiction in relation to claims made under them against parties domiciled in England or such jurisdiction as otherwise determined in accordance with Council Regulation (EC) No. 44/2001.

The ACD implemented an initial offer period in respect of the Sub-Fund. The details of the initial offer and the initial price are set out in Appendix 1.

Any subscription for Shares by an existing Shareholder may be made, during Normal Business Hours, by fax, in writing or by such forms of electronic communication as may be approved by the Company or any other method otherwise approved by the Company or the ACD on behalf of the Company.

When placing an order to subscribe for Shares for the first time, the Company will request that a Form be completed and returned to the Company.

The ACD reserves the right to reject, on reasonable grounds (including, for reasons of market liquidity), any application for Shares in whole or in part. Failure to return a fully completed Form may result in a delay in the ACD processing any subsequent redemption request or may result in the ACD withholding redemption proceeds.

All requests to subscribe for Shares must be received by the dealing cut-off time for the Sub-Fund as set out in Appendix 1 otherwise they will be held over to the next following Valuation Point. Purchase orders made by approved electronic communication and received outside of Normal Business Hours will be effected as soon as possible on the next Business Day. Please note that monies received on a Business Day when there is not a Valuation Point will not be invested in the Sub-Fund until the next Valuation Point.

A contract note will be sent to the applicant on the next Business Day after the Valuation Point applicable to the deal. Where a subscription request is made in writing or by fax, the contract note will be sent to the applicant at their registered postal address or, if they choose, by email. Where a subscription request is made by an approved form of electronic communication, the contract note will be sent to the applicant by electronic communication. The contract note will show the price of the relevant Shares (per Share and the total cost), shown to at least four significant figures. If a Shareholder has not already paid, it must ensure that payment is received by close of business on the third Business Day after the Valuation Point applicable to the deal. The ACD may, however, subject to notifying the relevant Shareholder prior to accepting a subscription request, require earlier payment. If timely settlement is not made, the ACD may, at its sole discretion, cancel the relevant subscription of Shares and/or an applicant may be required to pay an administration charge to the ACD to cover any costs and resultant losses incurred by the ACD and/or the Company. Payment for the subscription of Shares is by electronic payment.

No certificates are issued for Shares in the Company.

In accordance with the COLL Sourcebook the ACD reserves the right to refuse to issue Shares in certain

circumstances, in particular where it has reasonable grounds to refuse the sale.

Shareholders must meet the investment criteria for any Share class in which they intend to invest. If a prospective Shareholder submits an incomplete Form or a Form with inaccurate information or does not meet the investment criteria of the Share class in which it intends to invest, the ACD reserves the right to refuse the subscription request, in its absolute discretion, and return the Form and any payments received to that prospective Shareholder.

(c) Cancellation rights

Any Shareholder who is a consumer (as defined in the FCA Handbook) may have 14 days in which to cancel the relevant purchase if advised to subscribe for Shares by an authorised person through whom a Shareholder's business is placed with the Company unless an appropriate customer agreement exists between such authorised person and the Shareholder. The 14 days commences upon receipt of the contract note by the Shareholder. A Shareholder will need to notify the Company in writing that it wishes to exercise a right to cancel. Shareholders should note that exercising a right to cancel does not necessarily mean that a Shareholder will receive back the amount invested. Shareholders will receive back an amount based on the subscription price next calculated following the Company's receipt of a valid cancellation notice in writing.

(d) Redemption of Shares

Subject to the policy on pricing (see section 16), Shares in the Sub-Fund may normally be redeemed during Normal Business Hours. Redeeming Shareholders must complete a redemption request by fax, in writing or by such forms of electronic communication as may be approved by the Company or any other method otherwise approved by the Company. A contract note will be sent to the Shareholder for the redeemed Shares by close of business on the Business Day after the Valuation Point applicable to the deal. Where a redemption request is made in writing or by fax, the contract note will be sent to the Shareholder at their registered postal address or, if they choose, by email. Where a redemption request is made by an approved form of electronic communication, the contract note will be sent to the Shareholder by electronic communication. The proceeds of the redemption will be sent to Shareholders by electronic payment by the close of business on the third Business Day after the later of the following times:

- (i) the Valuation Point at which the redemption instructions were processed; or
- (ii) the date of receipt of the instructions to redeem.

All requests for redemption must be received by the dealing cut-off time for the Sub-Fund as set out in Appendix 1 otherwise they will be held over to the next following Valuation Point.

(e) In specie subscriptions and redemptions

The ACD may, at its discretion, arrange for the Depositary to issue Shares in the Sub-Fund in exchange for assets other than cash. The Depositary may, on the instruction of the ACD, pay out of the Sub-Fund assets other than cash as payment for the redemption of Shares. An in specie subscription or in specie redemption will only take place where the Depositary has taken reasonable care to determine that it is not likely to result in any material prejudice to the interests of Shareholders in the Sub-Fund.

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

Where the ACD considers a cash subscription to be substantial in relation to the total size of the Sub-Fund, it may require the investor to contribute in specie. The ACD may consider a deal in this context to be substantial if the relevant Shares constitute 10 per cent. (or a lesser or higher percentage if considered appropriate) of those in issue in that Sub-Fund.

The ACD will not issue Shares in the Sub-Fund in exchange for assets the holding of which would be inconsistent with the investment objectives or policy of the Sub-Fund.

If a Shareholder wishes to redeem Shares in the Sub-Fund representing 10 per cent. or more of the Sub-Fund's value, the ACD can elect not to give the Shareholder the proceeds of the redemption of Shares but instead transfer property (i.e. the underlying securities) of the Sub-Fund to the Shareholder.

Where the ACD elects to carry out an in specie redemption, it must notify the Shareholder of this in writing no later than the close of business on the second Business Day after the day on which it received selling instructions from the Shareholder.

Where there is an in specie redemption, the Depositary will, in accordance with the rules of the COLL Sourcebook, cancel the Shares and transfer a proportionate share of the assets of the Sub-Fund or such selection from the property of the Company as the Depositary, after consultation with the ACD, decides is reasonable to the Shareholder, in either case having regard to the need to be fair both to the Shareholder taking the in specie redemption and to continuing Shareholder.

Irrespective of the value of the Shares, where a Shareholder wishes to redeem and the ACD has elected to provide an in specie transfer, the Shareholder is entitled to instruct the ACD not to transfer assets, but to sell those assets (other than those in cash in the relevant currency) and pay to the Shareholder the net proceeds of sale (and cash). However, instruction must be given by the Shareholder in writing to the ACD by the close of business on the fourth Business Day after receipt of the ACD notice of election to provide an in specie redemption. The value raised will not necessarily correspond with the applicable published Share price.

The ACD may, in its sole discretion, agree to a request from a Shareholder for an in specie redemption where

it receives such request in advance of the redemption request. Where the ACD does agree, the Depositary will transfer assets to the Shareholder of the Sub-Fund in the manner set out above..

(f) Suspension

The ACD may, with the prior agreement of the Depositary, and must without delay, if the Depositary so requires, temporarily suspend the issue and redemption of Shares of a particular class or classes of the Sub-Fund for a period of time where due to exceptional circumstances it is in the interest of all Shareholders in the Sub-Fund.

The ACD and Depositary must ensure that the period of suspension is only allowed to continue for as long as it is justified having regard to the interests of Shareholders and that dealing resumes as soon as practicable after the circumstances triggering a suspension have ceased. Upon suspension, the ACD or the Depositary will immediately inform the FCA giving reasons for the suspension and notify any home state regulator in jurisdictions where Shares in the Sub-Fund are available for sale.

The ACD will notify Shareholders of the suspension as soon as practicable after the suspension commences and will formally review the suspension with the Depositary at least every 28 days, keeping the FCA informed. The ACD will resume issue and redemption in the Shares after giving the requisite notice in accordance with the COLL Sourcebook. The ACD will publish sufficient details to keep Shareholders appropriately informed about the suspension including, if known, its likely duration.

(g) Switching rights

As and when further Sub-Funds are created, the Company may permit a Shareholder to switch all or some of the Shares held from one class in a Sub-Fund (the "**Original Shares**") into Shares of another Sub-Fund within the Company (the "**New Shares**"), subject to any minimum investment and eligibility requirements. On a switch of Shares, the number of New Shares issued will be determined by reference to the respective prices of New Shares and Original Shares at the Valuation Point applicable when the Original Shares are redeemed and the New Shares are issued. Any such exchange is treated as a redemption and sale.

The Company at its discretion, would permit a Shareholder to convert any of the Shares held from one class of the Sub-Fund for Shares of another class in the same Sub-Fund.

Shareholders must provide written instructions to switch holdings to the Company which, in the case of joint Shareholders, must be signed by all joint Shareholders before a switch is effected. Switches are subject to the minimum investment and eligibility requirements. Switches are normally effected at the next Valuation Point. No switch will be made during any period when the right of Shareholders to require a redemption of Shares is suspended.

The ACD, at its discretion, may make a charge for switching from the relevant Sub-Fund into one or more other Sub-Funds. Any such charge will be calculated so as to recover reasonable administrative and trading costs including the asset spread cost.

A switch will only be accepted by the Company if any conditions applicable for holding the New Shares are met. A switch between one Sub-Fund and another Sub-Fund will only be effected on a Business Day when both Sub-Funds have Valuation Points.

Shareholders subject to UK tax should note that a switch of Shares between Sub-Funds should be treated as a disposal for the purposes of Capital Gains Tax.

Shareholders should seek their own professional tax advice in this regard.

A Shareholder who switches Shares in one Sub-Fund for Shares in any other Sub-Fund will not be given a right by law to withdraw from or cancel the transaction.

(h) Mandatory redemption, cancellation or transfer of Shares

The ACD may from time to time take such action and impose such restrictions as it thinks necessary for the purpose of ensuring that no Shares in the Sub-Fund are acquired or held by any person in circumstances ("**relevant circumstances**") which constitute a breach of the law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory; or which would (or would if other Shares were acquired or held in like circumstances) result in the Sub-Fund incurring any liability to taxation or suffering any other adverse consequence (including a requirement to register under any securities or investment or similar laws or governmental regulation of any country or territory); and, in this connection, the ACD may reject at its discretion any subscription for, sale or switch or transfer of Shares.

All Shareholders should note the requirements of the Foreign Account Tax Compliance Act ('FATCA'), please see section 26.

If it comes to the notice of the ACD that any Shares ("**affected Shares**") have been acquired or are being held in each case whether beneficially or otherwise in any of the relevant circumstances referred to above or if it reasonably believes this to be the case, the ACD may give notice to the holder of the affected Shares requiring the Shareholder to give a request in writing for the conversion of the affected Shares for Shares of another class in the Sub-Fund, or, if there is, in the opinion of the ACD, no suitable alternative class of Shares, to give a request in writing for the transfer of the affected Shares to a person who is qualified or entitled to hold such Shares or for the redemption or cancellation of such Shares. If any person upon whom such a notice is served does not within thirty days after the date of such notice submit such request for redemption or cancellation or transfer its Shares to a person qualified to hold the same, or establish to the satisfaction of the ACD (whose judgement shall be final and binding) that it and any person on whose

behalf it holds the affected Shares are qualified and entitled to hold the Shares, such person shall be deemed upon the expiration of that thirty day period to have given a request in writing for the redemption or cancellation (at the discretion of the ACD) of the affected Shares.

A Shareholder who becomes aware that it holds affected Shares shall, unless it has already received a notice from the ACD, as described above, either transfer such Shares to a person who is qualified or entitled to own such Shares or give a request in writing for the redemption or cancellation of such Shares.

(i) Unclaimed distributions

If any distribution is unclaimed for a period of 6 years, such amounts shall be added to the capital property of the Sub-Fund and forfeited. No interest will be paid on unclaimed distribution monies.

(j) Transfers of Shares

Shareholders are entitled to transfer all of their Shares to another person but only if that other person meets any tax and investment requirements applicable to the acquisition of Shares.

Shareholders may transfer some of their Shares to another person but only if (i) that other person meets any tax and investment requirements applicable to the acquisition of Shares; (ii) the ACD, in its discretion, has given prior approval to any such partial transfer; (iii) the value of Shares being transferred is not less than the minimum value for a partial transfer of Shares for the relevant Share class as set out in Appendix 1; and (iv) as a result of the transfer, the Shareholder does not reduce its holding below the minimum holding requirements for the Share class as set out in section 18 and Appendix 1 below. The ACD may, in its discretion, waive the minimum value requirements for partial transfers.

Transfers by Shareholders to other existing Shareholders are only permitted if the transferee Shareholder already properly holds Shares in the same Share class as the Shares being transferred.

Any transfer of Shares must be in accordance with the requirements of the COLL Sourcebook.

All transfers must be in writing in the form of an instrument of transfer approved by the ACD for this purpose. Completed instruments of transfer must be returned to the Company in order for the transfer to be registered by the ACD. The ACD needs to be informed as soon as practicable about any potential transfer, when it will let both the transferee and the transferor Shareholders know what is required. The ACD may refuse to register a transfer unless it is in the form approved by the ACD. No transfer of Shares may be effected on the authority of an electronic communication.

12. Excessive Trading Policy

The Sub-Fund does not knowingly allow investments that are associated with excessive trading practices as such practices may adversely affect the interests of all Shareholders. Excessive trading includes individuals

or groups of individuals whose securities transactions seem to follow a timing pattern or are characterised by excessively frequent or large trades.

Shareholders should, however, be aware that the Sub-Fund may be utilised by certain Shareholders for asset allocation purposes or by structured product providers, which may require the periodic re-allocation of assets. This activity will not normally be classed as excessive trading unless the activity becomes, in the opinion of the ACD, too frequent or appears to follow a timing pattern.

As well as the general power of the ACD to refuse subscriptions, switches or transfers at its discretion, powers exist in other sections of this Prospectus to ensure that Shareholder interests are protected against excessive trading, including switching rights (see section 11(g)).

In addition, where excessive trading is suspected, the Sub-Fund may:

- a) combine Shares that are under common ownership or control for the purposes of ascertaining whether an individual or a group of individuals can be deemed to be involved in excessive trading practices. Accordingly, the ACD reserves the right to reject any application for switches, transfers and/or subscription of Shares from Shareholders whom they consider to be excessive traders; and
- b) levy a redemption charge on the redemption proceeds to Shareholders whom the ACD, in its reasonable opinion, suspects of excessive trading. This charge will be made for the benefit of the Sub-Fund, and affected Shareholders will be notified in their contract notes if such a fee has been charged. The charge will be calculated by using the trading costs including the asset spread cost.

13. Compliance with applicable laws and regulations

As a result of any applicable laws and regulations, including but not limited to, relevant anti-money laundering legislation, tax laws and regulatory requirements, Shareholders may be required, in certain circumstances, to provide additional documentation to confirm their identity, or provide other relevant information pursuant to such laws and regulations, as may be required from time to time, even if an existing Shareholder. Further subscriptions may be restricted by the ACD until the requested information is provided. Any information provided by Shareholders will be used only for the purposes of compliance with these requirements and any documentation submitted in original format with a request to return the same will be duly returned to the relevant Shareholder to the address given by that Shareholder. Until the ACD receives the requested documentation or additional information, there may be a delay in processing any subsequent redemption request and the ACD reserves the right in all cases to withhold redemption proceeds until such a time as the

required documentation or additional information is received.

Alternatively, the ACD may employ a search of electronic data reference sources in order to access information held electronically concerning the identity of a Shareholder, including information held by certain government and consumer agencies. By completing the Forms or entering into a contract with the Company or one of its affiliates, the Shareholders acknowledge that the Company or the ACD may at any time initiate a search of information held electronically in order to verify identity.

14. Valuation

The ACD calculates the value of the Shares at the Valuation Point in accordance with Appendix 4, as permitted by the COLL Sourcebook. The basis of the calculation is the value of the underlying assets of the Company. Assets are valued on a single mid-market basis in accordance with the COLL Sourcebook.

The ACD may at its discretion implement fair value pricing policies in respect of the Sub-Fund. Fair value pricing will only apply where the ACD deems it to be appropriate and in the interests of Shareholders and has reasonable grounds to believe that no reliable price exists for one or more underlying investments at a Valuation Point or the most recent price available does not reflect the ACD's best estimate of the value of an investment at the Valuation Point. In these circumstances, the ACD may at its discretion value an investment at a price which, in its opinion, reflects a fair and reasonable price for that investment. Circumstances which may give rise to a fair value price being used include instances where there is no recent trade in the investment concerned; or the occurrence of a significant event since the most recent closure of the market where the price of the investment is taken. A significant event is one that means, in the ACD's judgement, the most recent price of an investment or a basket of investments is materially different to the price that it is reasonably believed would exist at the Valuation Point had the relevant market been open. For this purpose, the ACD may utilise pre-determined trigger levels which take into account the materiality of any variance.

When determining such fair value, one or more of a variety of fair valuation methodologies may be used (depending on factors including the asset type). For example, the asset may be priced on the basis of the original cost of the investment or, alternatively, using proprietary or third party models (including models that rely upon direct portfolio management pricing inputs and which reflect the significance attributed to the various factors and assumptions being considered). Prices of actual, executed or historical transactions in the relevant asset and/or liability (or related or comparable assets and/or liabilities) or, where appropriate, an appraisal by a third party experienced in the valuation of similar assets and/or liabilities, may also be used as a basis for establishing the fair value of an asset or liability.

Where an adjustment is made as per the foregoing, it will be applied consistently to all classes of Shares within the Sub-Fund.

The ACD may suspend dealing in the Sub-Fund if it cannot obtain prices on which to base a valuation (see section 11(f)). The ACD may, with the Depositary's prior agreement or if the Depositary requires it, suspend the repurchase of Shares in accordance with the COLL Sourcebook, as described above under the heading "Suspension".

At a Valuation Point the ACD will calculate Share prices, using the most recent prices of the underlying investments that it can reasonably obtain. The objective is to give an accurate value of the Sub-Fund as at the Valuation Point. The base currency of the Sub-Fund is pounds Sterling.

15. Prices of Shares and Historic Performance Data

The ACD will, on the completion of each valuation under section 14, advise the Depositary of the subscription and redemption prices. These are the prices which the ACD has to pay to the Depositary for the issue of Shares or which the ACD will receive from the Depositary upon the cancellation of Shares.

The actual cost of subscribing for or redeeming Shares in the Sub-Fund may be higher or lower than the mid-market value used in calculating the Share price. The ACD may swing the price up (or down) to protect Shareholders from the costs incurred by the Sub-Fund as a result of issuing or cancelling Shares.

Historic performance data (where available) is contained in the Prospectus, key investor information documents and fact sheets that are published by the Company from time to time.

16. Dilution Adjustment

A dilution adjustment is an adjustment in the price of a Share at such a rate as is determined by the ACD for the purposes of counteracting or reducing the effect of dilution in the value of the Sub-Fund.

Dilution may occur as a result of costs incurred in dealing in the underlying investments of the Sub-Fund or of any spread between the buying and selling prices of such investments. Dilution may have an adverse effect on the value of the Sub-Fund and therefore impact Shareholders.

The ACD has, in accordance with the COLL Sourcebook, the discretion to make a dilution adjustment where it is deemed appropriate on the sale and/or redemption of Shares in the Sub-Fund in any of the following circumstances:

- a) if the Sub-Fund is experiencing large levels of net subscriptions (i.e. subscriptions less redemptions) or net redemptions (i.e. redemptions less purchases) relative to its size;
- b) on "large deals". A large deal is defined as a large subscription or redemption or a series of subscriptions, redemptions, issues or cancellations by a single Shareholder or

a single intermediary in respect of the same Valuation Point. The ACD may set the threshold for large deals from time to time for the Sub-Fund (relating to the cost of market dealing for that Sub-Fund); or

- c) in any other case, where the ACD is of the opinion that the interests of existing/continuing Shareholders or potential Shareholders require the making of a dilution adjustment.

The dilution adjustment will be an increase in the price of a Share when there are net subscriptions and a deduction when there are net redemptions. As certain stock markets and jurisdictions may have different charging structures on the buy and sell sides, the resulting adjustment may be different for net inflows than for net outflows. Shareholders should note that due to adjustments being made to the price of a Share, the volatility of the Sub-Fund's price per Share may not fully reflect the true performance of the Sub-Fund's underlying assets.

The amount of any dilution adjustment may vary over time as the dilution adjustment for the Sub-Fund will be calculated by reference to the costs of the underlying assets of the Sub-Fund, including any dealing spreads, which can vary with market conditions. However, as a general guide, a dilution adjustment is typically expected to fall within the range of 0.01 per cent. to 1 per cent. when buying or selling Shares.

The ACD shall operate any dilution adjustment in a fair manner solely for the purposes of reducing dilution.

Further details of the current dilution rates and the ACD current policy on the operation of dilution adjustments are available on request from the ACD.

17. Policy on Pricing

When Shares are subscribed for, they will be issued on a forward pricing basis. The forward price will be calculated at the next Valuation Point after receipt of purchase instructions so long as these were received prior to the Sub-Fund's dealing cut-off time (where applicable).

When Shares are redeemed, Shares will be redeemed on a forward pricing basis. The forward price will be calculated at the next Valuation Point following receipt of a redemption instruction so long as these were received prior to the Sub-Fund's dealing cut-off time (where applicable).

18. Share Denominations, Minimum Investment and Minimum Holding

The rights attaching to the Shares in the Sub-Fund are expressed in two denominations, being larger denomination Shares and smaller denomination Shares. The smaller denomination Shares are whole Shares, but with fractional rights. The proportion of a larger denomination Share represented by a smaller denomination Share is one-thousandth of the larger denomination Share.

If, following a redemption or switch, a holding in any class of Shares should fall below the minimum holding for that class, the ACD has the discretion to effect a redemption of the Shareholder's entire holding in that class of Shares. The minimum investment for each class of Shares is as set out in Appendix 1.

The ACD will not be obliged to redeem Shares if the number or value of the Shares sought to be sold would result in a Shareholder holding less than the minimum number or value of Shares of the class concerned that may be held. The minimum holding for each class of Shares is as set out in Appendix 1.

The ACD will not be obliged to issue further Shares to an existing Shareholder if the number or value of the Shares sought to be purchased is less than the minimum number or value of Shares of the relevant class that may be acquired on a further or subsequent investment by an existing Shareholder. The minimum further investment for each class of Shares is as set out in Appendix 1.

Minimum investment, minimum further investment and holding amounts may be waived at the ACD's discretion.

19. Commissions and Rebates

The ACD may, subject to the requirements of the FCA Handbook, and without recourse or cost to the Sub-Fund, rebate all or part of the annual management charges (as described in section 27 and Appendix 5) by way of initial or renewal commission or rebate of the annual management charge, to authorised intermediaries or to third party distributors or agents ("**authorised intermediaries**") in respect of any subscriptions for, or holdings of, Shares for any Shareholders introduced by them. Payment of rebates is subject to the ACD receiving its management charges from the Sub-Fund (where applicable). For the avoidance of doubt, no rebate shall be payable directly to any Shareholder by the ACD.

Subject to the requirements of the FCA Handbook, rebates of management charges may be agreed on the Sub-Fund at the ACD's discretion and subject to the nature of the business provided by the authorised intermediaries to Shareholders. Rebates will not exceed the published amount of management charges payable in respect of the Shares in the Sub-Fund.

The terms of any rebate will be agreed between the ACD and the authorised intermediary in question from time to time. If so required by the FCA Handbook (or any other laws or regulations in any other jurisdiction that are applicable to the authorised intermediary or the ACD), the authorised intermediary shall disclose to any of its clients the amount of any rebate of management charges it receives from the ACD and the ACD shall also disclose to a Shareholder, upon request, details of any rebate paid by the ACD to an authorised intermediary in connection with a holding of Shares, where the authorised intermediary has acted on behalf of that Shareholder.

The ACD may also, at its discretion, discount any switching fee and pay some or all of the discount to an

authorised intermediary, subject to the requirements of the FCA Handbook.

Payment of any rebate of the management charges ("**commission**") shall not be made if such rebate would be contrary to any law or regulation in force at the time.

Following the FCA's Retail Distribution Review, the ACD is not permitted to pay initial or renewal commission, or rebate of the management charges, to authorised intermediaries or to third party distributors or agents in respect of any subscriptions for, or holdings of, units for any UK retail investors in respect of investments made as a result of the investor having received a personal recommendation.

20. ACD's Box

It is not the ACD's current policy to run a "box" (i.e. hold Shares in the Sub-Fund in its own accounts).

21. Publication of Prices and Yields

Daily prices for the Sub-Fund are published at <https://www.equitile.com/resilience-prices>. They may also be obtained by calling 020 3397 7701 or by sending an email requesting prices to info@equitile.com. Please note that the published prices are for information only and these prices may not be the prices obtained when Shares are dealt.

The Shares in the Sub-Fund are not listed or dealt in or on any investment exchange.

22. Classes of Shares

The classes of Shares currently available in the Sub-Fund are set out in Appendix 1. Each type of Share represents a beneficial interest in undivided shares in the property of the Sub-Fund as detailed below. Each Share represents one undivided share in the Scheme Property of the Sub-Fund. Each undivided Share, subject to their denomination, ranks *pari passu* with other undivided Shares in the Sub-Fund.

Shareholders are not liable for the debts of the Sub-Fund. Shareholders are not liable to make any further payment to the Sub-Fund after they have paid the purchase price of their Shares, other than in respect of any taxation due in accordance with the terms of the Instrument of Incorporation.

The property of the Sub-Fund must not be used to discharge any liabilities of, or meet any claims against, any person other than the Shareholders in that Sub-Fund.

Where income distribution Shares are held, relevant Shareholders will receive a net distribution payable according to the distribution policy of the Sub-Fund, details of which are set out in Appendix 1. This distribution will be paid directly into the Shareholder's bank account. This net distribution is calculated for each Shareholder as a proportion of the income, less expenses and any taxation due, received by the Sub-Fund on behalf of each Shareholder. After a period of six years from the date of payment, any unclaimed distribution will be added to the capital property of the Sub-Fund. No interest will be paid on unclaimed distribution monies.

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Where accumulation Shares are held, there will not be any actual payment of income. The income attributable to the Shares will remain as property of the Sub-Fund. The number of accumulation Shares will remain the same.

The Instrument of Incorporation also permits further classes of Shares to be made available other than those currently available. Any such class of Shares may vary according to whether it accumulates or distributes income or attracts different fees and expenses, and as a result of this, monies may be deducted from classes in unequal proportions. In these circumstances, the proportionate interests of the classes of Shares within the Sub-Fund will be adjusted in accordance with the provisions of the Instrument of Incorporation relating to proportion accounts. The Depositary may create one or more classes of Shares as instructed from time to time by the ACD. The creation of additional Share classes will not result in any material prejudice to the interests of holders of Shares in existing Share classes.

23. Evidence of Title

No certificates are issued in respect of the Shares. A statement of shareholding in respect of Shares shall be sent to a Shareholder at least once a year in such form as the ACD may decide. A statement shall not constitute a document of title to the shares to which it refers. The Company is authorised to charge for issuing any document recording, or for amending, an entry on the Register (other than on the issue or sale of Shares).

24. Investment Objectives and Policy, and Investment Restrictions

The investment objectives and policy of the Sub-Fund are set out in Appendix 1.

In pursuing its investment objective and policy, the Sub-Fund may use the techniques referenced in Appendix 1, Appendix 3 and in the risk considerations set out in section 2525. Other techniques, however, may be developed or determined to be suitable for use by the Sub-Fund and the ACD may (subject to applicable law) employ such techniques in accordance with the Sub-Fund's investment objectives and policy.

The investment objectives and/or policy of the Sub-Fund may be amended in accordance with the change classification process set out in the COLL Sourcebook. A fundamental change requires Shareholder consent by Extraordinary Resolution. A significant change requires not less than 60 days' pre-notification to Shareholders. Notifiable changes require notification to Shareholders. See section 3030 for further details regarding change classification under the COLL Sourcebook.

The Sub-Fund is actively managed and aims to deliver capital growth by investing globally without being confined to any country or region in the equities of large cap resilient companies, meaning those assessed as being well-managed, conservatively financed and benefiting from strong corporate governance. The Sub-Fund does not compare its performance in absolute terms against any

benchmark. Any applicable performance fee is calculated against the Sub-Fund's high water mark (please refer to Appendix 1 of this Prospectus). An investor wishing to compare the Sub-Fund's absolute performance should select a global equity benchmark or Index with the equivalent FX hedging.

The investment restrictions applicable to the Sub-Fund are set out in Appendix 1. The investment restrictions set out in Appendix 3 apply to all Sub-Funds including any additional Sub-Funds that are created under the Company (at a later date).

25. Risk Considerations

Potential Shareholders should consider the risk factors below before investing in the Sub-Fund. This list must not be taken to be comprehensive. It should also be noted that there may be new risks that arise in the future which could not have been anticipated in advance. Different risks may apply to the Sub-Fund to different degrees, and, for each risk, this degree could increase or decrease over time.

(a) General Investment Risks

The Sub-Fund is subject to the risk that all investment funds are subject to, i.e. fluctuations in capital value which can be influenced by factors such as political and economic developments, changing corporate earnings, changing monetary policies, changing taxation policies, demographic trends and catastrophic events. Losses may be incurred due to operational failures or delays in the Sub-Fund. Neither the Company nor the ACD can guarantee that it will achieve the objectives set out for the Sub-Fund.

Shareholders should always bear in mind that the price of Shares in the Sub-Fund and the income from them can go down as well as up and are not guaranteed. An investment in the Sub-Fund is not intended to be a complete investment programme. The Sub-Fund may invest directly or indirectly in currencies other than Sterling. As a result, changes in the rates of exchange between currencies may cause the value of the Shares in the Sub-Fund to go up or down. Accordingly, Shareholders may not receive back the amount invested.

Where cancellation rights apply to a contract any Shareholder exercising such cancellation rights will not obtain a full refund of the money paid on the making of the contract if the value of the investment falls before the cancellation notice is received by the Company as an amount equal to that fall will be deducted from any refund made to the Shareholder.

An investment in the Sub-Fund is not protected against the effects of inflation.

(i) Fund Liability Risk

The Company is structured as an umbrella company with segregated liability between its Sub-Funds, which is provided for by the OEIC Regulations. The assets of each Sub-Fund will be separate from those of every other Sub-Fund. The Company may operate or have assets held on its behalf or be subject to claims in the UK, or in other jurisdictions. This means that, in effect, assets of one Sub-Fund will not be available to meet

the liabilities of another. The concept of segregated liability is relatively new. Accordingly, where claims are brought by local creditors in foreign courts or under foreign law contracts, it is not yet known how a foreign court will give effect to the concept of segregated liability as provided for under the OEIC Regulations.

Therefore, it is not possible to be certain that the assets of the Sub-Fund will always be completely isolated from the liabilities of another Sub-Fund in every circumstance.

(ii) Hedged Share Class

The Sub-Fund will implement currency hedging strategies with regard to Hedged Share Classes as more fully described in Appendix 1.

The Sub-Fund will be made up of multiple classes of Shares, some of which will be Hedged Share Classes and some not hedged. Shareholders that do not invest in Hedged Shares are not expected to be affected by the associated currency hedging strategies for that Hedged Share Class.

Hedging transactions are designed to reduce, as much as possible, the currency risk for Shareholders, however there is no guarantee that attempts to hedge currency risk will be successful and no hedging strategy can eliminate currency risk entirely. Should a hedging strategy be incomplete or unsuccessful, the value of the Sub-Fund's assets and income can remain vulnerable to fluctuations in currency exchange rate movements.

Shareholders should be aware that there may be circumstances in which a hedging transaction may reduce currency gains that would otherwise arise in the valuation of the Sub-Fund. The gains/losses on and the costs of such hedging transactions will accrue solely to the relevant Hedged Share Class.

Any financial instruments used to implement such hedging strategies shall be assets and/or liabilities of the Sub-Fund as a whole but, in effect, will be attributable to the relevant Hedged Share Class only. Any gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant Hedged Share Class.

As a result, Shareholders investing in any Hedged Share Class may be exposed to fluctuations in the net asset value per Share in relation to the relevant Hedged Share Class reflecting the gains/losses on and the costs of the hedging transactions and the relevant financial instruments.

In the case of a net investment flow to or from a Hedged Share Class, the hedging strategies may not be accurately adjusted and reflected in the net asset value of the said class until the following or a subsequent Business Day following the Valuation Day on which the instruction was accepted.

Furthermore, any currency exposure of a Hedged Share Class may not be combined with or offset against that of any other classes of Shares in the Sub-Fund. The currency exposure of the assets attributable to a Hedged Share Class may not be allocated to other classes.

Sub-Fund performance could vary from one class of Shares to another within the same Sub-Fund. More specifically, given that the Sub-Fund's investment strategy is based on currencies ("**Currency of Return**") different from that Sub-Fund's base currency and that the Sub-Fund offers Hedged Shares and non-hedged Shares, investors who wish to invest in non-hedged Shares must be aware that total returns for the non-hedged Share class will be maximised in the Currency of Return and restated into the Sub-Fund's base currency at the prevailing rate. As a result, actual returns expressed in the Sub-Fund's base currency will vary over time in accordance with the fluctuations of the exchange rate between the Currency of Return and the Sub-Fund's base currency.

(iii) **Legal and Regulatory Risk**

Legal, tax and regulatory changes could occur during the term of the Sub-Fund.

Over recent years global financial markets have undergone pervasive and fundamental disruption and regulators in many jurisdictions have implemented or proposed a number of regulatory measures and may continue to do so. For example, the regulatory and tax environment for derivative instruments is evolving, and changes in the regulation or taxation of derivative instruments may adversely affect the value of derivative instruments held by the Sub-Fund and the ability of the Sub-Fund to pursue its trading strategies. Legislation and regulation may render a transaction to which the Sub-Fund is a party void or unenforceable.

These interventions have sometimes been unclear in scope and application, resulting in confusion and uncertainty which in itself has been detrimental to the efficient functioning of financial markets. It is impossible to predict with certainty what additional interim or permanent governmental restrictions may be imposed in the future and/or the effect of such restrictions on global markets and the Company's ability to implement the Sub-Fund's investment objectives.

(iv) **Tax**

The information provided in section 2626 is based, to the best knowledge of the Company, upon tax law and practice as at the date of this Prospectus. Tax legislation, the tax status of the Company, the ACD and the Sub-Fund, the taxation of Shareholders and any tax reliefs, and the consequences of such tax status and tax reliefs, may change from time to time (possibly with retrospective effect). Any change in the taxation legislation in the UK or in any jurisdiction where the Sub-Fund is registered, marketed or invested could affect the tax status of the Sub-Fund, affect the value of the Sub-Fund's investments in the affected jurisdiction, affect the Sub-Fund's ability to achieve its investment objective, and/or alter the post-tax returns to Shareholders. Where the Sub-Fund invests in derivatives the preceding sentence may also extend to the jurisdiction of the governing law of the derivative contract and/or the derivative counterparty and/or to the market(s) comprising the underlying exposure(s) of the derivative.

The availability and value of any tax reliefs available to Shareholders depend on the individual circumstances of the Shareholders. The information in section 2626 is not exhaustive and does not constitute legal or tax advice. Prospective Shareholders are urged to consult their tax advisors with respect to their particular tax situations and the tax effects of an investment in the Sub-Fund.

Where the Sub-Fund invests in a jurisdiction where the tax regime is not fully developed or is not sufficiently certain, the Sub-Fund, the ACD, the depositary and the administrator of the Company shall not be liable to account to any Shareholder for any payment made or suffered by the Sub-Fund in good faith to a fiscal authority for taxes or other charges of the Sub-Fund notwithstanding that it is later found that such payments need not or ought not to have been made or suffered. Conversely, where through fundamental uncertainty as to the tax liability, adherence to best or common market practice (to the extent that there is no established best practice) is subsequently challenged or the lack of a developed mechanism for practical and timely payment of taxes, the Sub-Fund pays taxes relating to previous years, any related interest or late filing penalties will likewise be chargeable to the Sub-Fund. Such late paid taxes will normally be debited to the Sub-Fund at the point the decision to accrue the liability in the Sub-Fund accounts is made.

(v) **Global Financial Market Crisis and Government Intervention**

Since 2007, global financial markets have undergone pervasive and fundamental disruption and suffered significant instability leading to extensive governmental intervention. Regulators in many jurisdictions have implemented or proposed a number of emergency regulatory measures and may continue to do so. Government and regulatory interventions have sometimes been unclear in scope and application, resulting in confusion and uncertainty which in itself has been detrimental to the efficient functioning of financial markets. It is impossible to predict with certainty what additional interim or permanent governmental restrictions may be imposed on the markets and/or the effect of such restrictions on the ACD's ability to implement the Sub-Fund's investment objective.

Whether current undertakings by governing bodies of various jurisdictions or any future undertakings will help stabilise the financial markets is unknown. The ACD cannot predict how long the financial markets will continue to be affected by these events and cannot predict the effects of these – or similar events in the future – on the Sub-Fund, the European or global economy and the global securities markets.

(vi) **Determination of Share prices**

A proportion of the value of the Sub-Fund and hence the issue and redemption price of the Units will be based on the latest prices that are available for the investments held. Where the ACD deems it to be appropriate and in the interests of Shareholders and has reasonable grounds to believe that no reliable

latest price exists for one or more underlying investments at a Valuation Point or the most recent price available does not reflect the ACD's best estimate of the value of an underlying investment at the Valuation Point, the ACD may value the relevant investment(s) at a price which, in its opinion, reflects a fair and reasonable price for that investment. In such a situation, a variety of fair valuation methodologies may be used by the ACD. While the ACD will take reasonable care in the selection and application of such fair valuation methodologies, adequate information may not always be available to the ACD from the market or other sources. Consequently, the value of an investment as determined by the methodology selected by the ACD may differ from the latest price available for that investment or, where the latest prices are not available, the realisable value of that investment or the value that would have been received by the Sub-Fund had those investments been realised on that day. See also 'Valuation Risk'.

(vii) **Third Party Service Provider Risk**

The Company does not have any employees. Whilst the ACD has taken all reasonable steps to establish and maintain adequate procedures, systems and controls to enable it to comply with its obligations (including, without limitation, any obligations under SYSC 8 of the Senior Management Arrangements, Systems and Controls Sourcebook under the FCA Handbook), the ACD is reliant upon the performance of third party service providers for its executive functions. In particular, the registrar and the administrator of the Company, will be performing services which are integral to its operation. Failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment could have a materially detrimental impact on the operation of the Company.

(viii) **Market Risk**

The price of the Sub-Fund's investments, including, without limitation, fixed income securities, equities and all derivative instruments, can be highly volatile. Price movements of fixed income securities, equities, forward contracts, derivatives contracts and other instruments in which the Sub-Fund's assets may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations (see 'Interest Rate and Currency Risk'). Additionally, prices of equities fluctuate daily and can be influenced by many micro and macro factors such as political and economic news, corporate earnings reports, demographic trends and catastrophic events. The value of equities will go up and down and the value of the Sub-Fund could incur significant losses as a consequence.

(ix) **Performance Fees**

The ACD is entitled to a performance fee with respect to the Sub-Fund as described in more detail in Appendix 5 "Fees Payable to the ACD". The performance fee will be based on the net realised and unrealised gains and losses at each Valuation Point. As a result, a performance fee may be paid on unrealised gains which may never be realised in the future. Once a performance fee is charged to the Sub-Fund, it is not repayable should the Sub-Fund subsequently underperform.

The performance fee is calculated and paid separately in respect of each class of Shares within the Sub-Fund. As a result, the effective rate of fees payable by holders of different classes of Shares in the Sub-Fund overall (including management fees and performance fees) may differ under the performance fee calculation methodology.

While efforts will be made by the ACD to eliminate potential inequalities between Shareholders of the same class of Shares through the performance fee calculation methodology, there may be occasions where different Shareholders may experience unequal effects as to the effective performance fee rate that they bear on the performance of their investment in the Sub-Fund through the period of their investment. No performance fee equalisation will be carried out.

(x) **Counterparty Risk**

See also 'Credit Risk'. The bankruptcy or default of any counterparty could result in losses to the Sub-Fund. In addition, the Sub-Fund may bear the risk of loss because a counterparty does not have the legal capacity to enter into a transaction, or if the transaction becomes unenforceable due to relevant legislation or regulation.

In the case of any insolvency or failure of any such party, the Sub-Fund might recover only a pro rata share of all property available for distribution to all of such party's creditors and/or customers. Such an amount may be less than the amounts owed to the Sub-Fund.

Trading in financial derivative instruments which have not been collateralised gives rise to direct counterparty exposure. The Sub-Fund might mitigate much of this risk by receiving collateral with a value at least equal to the exposure to each counterparty but, to the extent that any financial derivative instrument is not fully collateralised, a default by the counterparty may result in a reduction in the value of the Sub-Fund. In the event of the insolvency of the counterparty to a derivative, the Sub-Fund will be treated as a general creditor of such counterparty, and will not have any claim with respect to the underlying indebtedness. Consequently, the Sub-Fund will be subject to the credit risk of the counterparty as well as that of the issuer of the indebtedness. As a result, concentrations of derivatives in any one counterparty may subject the Sub-Fund to an additional degree of risk with respect to defaults by such counterparty as well as by the issuer of the underlying indebtedness.

To mitigate counterparty risk, the Company will only use preferred counterparties which it believes to be creditworthy and may reduce the exposure incurred in

connection with such transactions through the use of a letter of credit or collateral. A formal review of each new counterparty is completed and all approved counterparties are monitored and reviewed on an on-going basis. However, there can be no guarantee that a counterparty will not default or that the Sub-Fund will not sustain losses as a result.

The ACD is free to use one or more separate counterparties for derivative investments.

(xi) **Credit Risk**

See also 'Counterparty Risk'. Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation. The Sub-Fund will be exposed to a credit risk for the parties with whom it trades. Investing in sovereign debt, any other debt guaranteed by a sovereign government, or corporate debt entails risks related to the issuer's ability and willingness to repay the principal and pay interest. A default by the issuer of the bond may impact the value of the Sub-Fund. Short-term cash equivalent investments, such as commercial paper, bankers' acceptances, certificates of deposit, and repurchase transactions, are not guaranteed by any government and are subject to some risk of default.

Credit risk may also arise through a default by one or several large institutions that are dependent on one another to meet their liquidity or operational needs, so that a default by one institution causes a series of defaults by the other institutions. This is sometimes referred to as a "systemic risk" and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges, with which the Company interacts on a daily basis.

(xii) **Capital Controls**

The investments of the Sub-Fund may be acquired in currencies which are different from its base currency. In the event of capital controls or any other restrictions, charges or taxation being imposed upon foreign exchange transactions, the Sub-Fund may suffer loss of value and liquidity. See also 'Interest and Currency Risk' and 'Changing Currency Regimes'.

(xiii) **Changing Currency Regimes**

The investments of the Sub-Fund may be acquired in currencies which are different from its base currency. In the event that a state or group of states in which the Sub-Fund invests changes its currency, the Sub-Fund may suffer a loss of value, in real or nominal terms, and a loss of liquidity. Such risks include, but are not limited to, currency devaluation through monetisation, a state leaving a monetary union, disbanding of a monetary union between a group of states and the operation of parallel currencies including electronic currencies. See also 'Interest and Currency Risk' and 'Capital Controls'.

(xiv) **Value at Risk Systems**

The ACD may use the Value at Risk methodology for the Sub-Fund as a part of its risk management process. The use of Value at Risk systems to estimate the potential portfolio losses is now widespread. The calculations produced by these systems frequently

understate the true investment risk. This is especially true in periods of systemic financial crisis. Investors should not consider the potential losses estimated by calculations produced by the Value at Risk systems as an adequate measure of potential losses especially in times of systemic financial crises.

(xv) **Interest Rate and Currency Risk**

The net asset value per Share of the Sub-Fund will be computed in its base currency whereas the investments held for the account of the Sub-Fund may be acquired in other currencies. The value in terms of the relevant base currency of the investment of the Sub-Fund, where designated in any other currency, may rise and fall due to currency exchange rate fluctuations of individual currencies, such that the net asset value of the Sub-Fund will change in response to such fluctuations. Adverse movements in currency exchange rates can result in a decrease in return and a loss of capital. The performance of investments in securities denominated in a specific currency will also depend on the interest rate environment in the country issuing the currency. Except to the extent that values are independently affected by currency exchange rate fluctuations, when interest rates decline, the value of fixed income securities generally can be expected to rise. Conversely, when interest rates rise, the value of fixed income securities generally can be expected to decline.

(xvi) **Leverage**

The Sub-Fund may use leverage, including through use of derivative instruments, in accordance with its investment objective and strategy and subject to the investment restrictions set out in this prospectus.

Leverage will generally be generated by using derivatives that are inherently leveraged due to the relatively small amount of deposit required to open a position, including, among others, forward contracts and futures contracts. A relatively small market movement may therefore have a potentially larger impact on derivatives than on standard bonds or equities, with the result that leveraged derivative positions may increase volatility within the Sub-Fund.

The Sub-Fund may have higher levels of leverage in atypical or volatile market conditions, for example when there are sudden movements in investment prices due to difficult economic conditions in a sector or region. In such circumstances, the ACD or its delegate may increase its use of derivatives in the Sub-Fund in order to reduce the market risk to which the Sub-Fund is exposed. This, in turn, would have the effect of increasing its levels of leverage.

(xvii) **Liquidity Risk**

Liquidity risk exists when the sale of assets or exit of trading positions is impaired by such factors as decreased trading volume, increased price volatility, industry and government regulations, and overall position size and complexity. It may be impossible or costly for the Sub-Fund to liquidate positions rapidly particularly if there are other market participants seeking to dispose of similar assets at the same time or the relevant market is otherwise moving against a position or in the event of trading halts or daily price

movement limits on the market or otherwise. Derivative transactions that are particularly large and bonds traded in the secondary market may be less liquid and it may be difficult to achieve fair value on transactions (see 'Valuation Risk'). Closing positions held in the secondary markets prematurely, for instance, to meet client redemption requests, can result in increased transaction costs which will be reflected in the investment returns.

(xviii) **New Issues**

The Sub-Fund may invest indirectly via an underlying collective investment scheme or directly in initial public offerings or new debt issues. The prices of securities involved in initial public offerings or new debt issues are often subject to greater and more unpredictable price changes than more established securities.

(xix) **Settlement Risk**

Settlement risk is the risk that a counterparty fails to deliver the terms of a contract (i.e. defaults at settlement) and of any timing differences in settlement between the two parties. The Sub-Fund bears the risk of settlement default due to exposure to the risk of default of certain counterparties (see 'Credit Risk' and 'Counterparty Risk'). In addition, market practices in relation to the settlement of transactions and the custody of assets could provide increased risks (see also 'Market Risk' and 'Legal and Regulatory Risk').

(xx) **Valuation Risk**

Financial instruments that are illiquid and/or not publicly traded may not have readily available prices and may therefore be difficult to value. Dealer supplied quotations or pricing models developed by third parties, the ACD, its affiliates and/or delegates, may be utilised in valuations and the calculation of the net asset value of the Sub-Fund. Such methodologies may be based upon assumptions and estimates that are subject to error. Shareholders should be aware that in these circumstances a possible conflict of interest may arise, as the higher the estimated valuation of the securities the higher the fees payable to the ACD or the administrator of the Company. Any party providing valuation service may, in the absence of negligence, be indemnified out of the property of the Sub-Fund for all claims and losses which such party may incur directly or indirectly arising out of or in connection with the performance of such valuation services. In addition, given the nature of such investment, determinations as to their fair value may not represent the actual amount that will be realised upon the eventual disposal of such investments. See also 'Determination of Share Price'.

(b) Risks Associated with Investment Techniques

(i) Delayed Delivery Transactions

Where the Sub-Fund invests in fixed income transferable securities, it may also purchase TBAs, for example US mortgages. This generally refers to a forward contract on a pool of mortgages in which the specific mortgages are not announced and allocated

prior to a specified delivery date. TBAs are not settled at the time of purchase, which may lead to leveraged positions within the Sub-Fund. Purchasing a TBA involves a risk of loss if the value of the security to be purchased declines prior to the settlement date and exposes the Sub-Fund to additional counterparty default risk. The Sub-Fund may dispose of a commitment prior to settlement if it is deemed appropriate to do so. Proceeds of TBA sales are not received until the contractual settlement date.

(ii) Derivatives (General)

In accordance with the investment restrictions set out in this prospectus, the Sub-Fund may use derivatives for the purposes of "efficient portfolio management" (in order to reduce risk and/or costs), as further described in Appendix 3. The ACD may also use derivatives to hedge or manage risk.

The use of derivatives may expose the Sub-Fund to a certain degree of risk. These risks may include credit risk with regard to counterparties with whom the Sub-Fund trades, the risk of settlement default, lack of liquidity of the derivative, imperfect tracking between the change in value of the derivative and the change in value of the underlying asset that the Sub-Fund is seeking to track and greater transaction costs than investing in the underlying assets directly.

In accordance with standard industry practice when purchasing derivatives, the Sub-Fund may be required to secure its obligations to its counterparty. For non-fully funded derivatives, this may involve the placing of initial and/or variation margin assets with the counterparty. For derivatives which require the Sub-Fund to place initial margin assets with a counterparty, such assets may not be segregated from the counterparty's own assets and, being freely exchangeable and replaceable, the Sub-Fund may have a right to the return of equivalent assets rather than the original margin assets deposited with the counterparty. These deposits or assets may exceed the value of the Sub-Fund's obligations to the counterparty in the event that the counterparty requires excess margin or collateral. In addition, as the terms of a derivative may provide for one counterparty to provide collateral to the other counterparty to cover the variation margin exposure arising under the derivative only if a minimum transfer amount is triggered, the Sub-Fund may have an uncollateralised risk exposure to a counterparty under a derivative up to such minimum transfer amount.

Derivative contracts can be highly volatile, and the amount of initial margin is generally small relative to the size of the contract so that transactions may be leveraged in terms of market exposure. A relatively small market movement may have a potentially larger impact on derivatives than on standard bonds or equities and leveraged positions can therefore increase Sub-Fund volatility. Whilst the Sub-Fund will not borrow money to leverage it may for example take synthetic short positions through derivatives to adjust its exposure, always within the restrictions provided for in this prospectus.

The Sub-Fund may enter into long positions executed using derivatives such as futures positions including currency forwards. Additional risks associated with investing in derivatives may include a counterparty breaching its obligations to provide collateral, or due to operational issues (such as time gaps between the calculation of risk exposure to a counterparty's provision of additional collateral or substitutions of collateral or the sale of collateral in the event of a default by a counterparty), there may be instances where the Sub-Fund's credit exposure to its counterparty under a derivative contract is not fully collateralised but the Sub-Fund will continue to observe the limits set out in this prospectus. The use of derivatives may also expose the Sub-Fund to legal risk, which is the risk of loss resulting from changing laws or from the unexpected application of a law or regulation, or because a court declares a contract not legally enforceable.

The Sub-Fund may use derivatives to facilitate complex management techniques. In particular, this may involve:

- a) using swap contracts to hedge interest rate risk;
- b) using currency derivatives to buy or sell currency risk;
- c) buying and selling options for investment purposes; or
- d) using synthetic long positions to gain market exposure.

Market leverage obtained through derivatives is expressed through the Sub-Fund's gross market exposure to the underlying reference assets of the derivatives contracts. Gross market exposure may vary although the Sub-Fund's global exposure, which is the aggregate sum of its obligations under the derivative contracts, shall not exceed the total net value of the Sub-Fund. Furthermore, the Sub-Fund's overall risk exposure will remain within the limits imposed by the COLL Sourcebook, as further described in this prospectus. The ACD current policy concerning the use of derivatives to gain market leverage is disclosed within the relevant product literature which is available on request.

Where derivative instruments are used in this manner the overall risk profile of the Sub-Fund may be increased. The ACD uses a risk management process to monitor and measure as frequently as appropriate the risk of the Sub-Fund's portfolio and contribution of the underlying investments to the overall risk profile of the Sub-Fund.

Losses in excess of the amount invested may be incurred from investment in such derivative instruments due to low margin deposits creating leverage which is typically associated with investment in such instruments. These instruments may be sensitive to small price movements, may be considered illiquid and could be difficult to price under certain market conditions.

(iii) Forward Contracts

The ACD or its delegates may enter into forward contracts and options on behalf of the Sub-Fund which are not traded on exchanges and are generally not regulated. There are no limitations on daily price moves of forward contracts. Counterparties with whom the Sub-Fund may maintain accounts may require the Sub-Fund to deposit margin with respect to such trading, although margin requirements are often minimal or non-existent. The Sub-Fund's counterparties are not required to continue to make markets in such contracts and these contracts can experience periods of illiquidity, sometimes of significant duration (see 'Liquidity Risk'). There have been periods during which certain counterparties have refused to continue to quote prices for forward contracts or have quoted prices with an unusually wide spread (the difference between the price at which the counterparty is prepared to buy and that at which it is prepared to sell). Arrangements to trade forward contracts may be made with only one or a few counterparties, which potentially reduces liquidity (see 'Liquidity Risk'). The imposition of credit controls by governmental authorities might limit such forward trading to less than that which the ACD would otherwise recommend, to the possible detriment of the Sub-Fund. Additionally, disruptions can occur in any market traded by the Sub-Fund due to unusually high trading volume, political intervention or other factors. Market illiquidity or disruption could result in major losses to the Sub-Fund. In addition, the Sub-Fund may be exposed to credit risks with regard to counterparties with whom it trades as well as risks relating to settlement default (see 'Credit Risk', 'Counterparty Risk' and 'Settlement Risk'). Such risks could result in substantial losses to the Sub-Fund.

(iv) Futures

Futures are standardised contracts between two parties to buy or sell a specified asset or index with a standardised quantity for a price agreed upon today with delivery and payment occurring at a future delivery date.

They are negotiated on an exchange acting as an intermediary between parties.

The Sub-Fund may enter into futures transactions as either the buyer or seller and may combine them to form a particular trading strategy as well as use futures for reducing an existing risk.

Futures positions may be illiquid (see 'Liquidity Risk') because certain exchanges limit fluctuations in certain futures contract prices during a single day by regulations or an exchange or the Commodity Futures Trading Commission may suspend trading in a particular contract, order immediate liquidation and settlement of a particular contract, or order that trading in a particular contract be conducted for liquidation only.

Investments in futures may also involve the following non-exhaustive list of risks; see 'Market Risk', 'Settlement Risk'.

(v) Hedging Techniques

Hedging techniques could involve a variety of derivative transactions (see 'Derivatives (General)').

As a result, hedging techniques involve different risks than those of underlying investments, including liquidity risk and the potential for loss in excess of the amount invested. In particular, the variable degree of correlation between price movements of hedging instruments and price movements in the position being hedged creates the possibility that losses on the hedge may be greater than gains in the value of the Sub-Fund's positions. In addition, although the contemplated use of these techniques should minimise the risk of loss due to a decline in the value of the hedged position, at the same time they may limit any potential gains resulting from an increase in the value of such positions. The ability of the Sub-Fund to hedge successfully will depend on the ACD's, or its delegate's, ability to predict pertinent market movements, and as a consequence there can be no assurance that hedging transactions will be successful in protecting against adverse market and/or currency movements.

(vi) When Issued and Forward Commitment Securities

The Sub-Fund may purchase "when-issued" securities and may contract to purchase or sell securities for a fixed price at a future date beyond the usual settlement time. When-issued securities are securities that have been authorised, but not yet received, and can be used to hedge against anticipated changes in interest rates and prices or for speculative purposes.

Forward commitment transactions involve a commitment by the Sub-Fund to purchase or sell securities at a future price and date.

The purchase of such securities involves the risk of the value of the security being purchased declining before the purchase date. Equally the sale of securities on a forward commitment basis can expose the Sub-Fund to the risk of the value of the security being sold increasing prior to settlement. Such securities may be disposed of prior to settlement if deemed appropriate by the ACD.

26. Taxation

The information below is a general guide based on current UK law and HMRC practice, both of which are subject to change (possibly with retrospective effect). It summarises the tax position of the Company and of investors who are UK resident and hold Shares as investments. This summary is general in nature and non-exhaustive, and does not constitute legal or tax advice. It is strongly recommended that Shareholders and prospective Shareholders seek professional tax advice on their own situation which will be dependent on the relevant laws of the jurisdiction to which the Shareholder is subject.

Dividends, interest and capital gains which the Company receives with respect to investments may be subject to taxes, including withholding taxes, in the countries in which the issuers of investments are located. The Company may not be able to benefit from reduced rates of withholding tax in double taxation agreements between the UK and such countries.

(a) Taxation of the Company in the UK

Each sub-fund of the Company (including, for the avoidance of doubt, the Sub-Fund) is treated as a separate open-ended investment company for UK tax purposes.

a) Income

Dividend distributions received by the Sub-Fund will generally be exempt from corporation tax, provided the distribution falls within an exempt class. The Sub-Fund is chargeable to corporation tax at the applicable rate, currently 20 per cent., on most other income (net of allowable expenses including the gross amount of any interest distributions).

b) Chargeable Gains

The Sub-Fund is generally exempt from UK corporation tax on capital gains realised on the disposal of its investments (including capital profits on interest-paying investments and derivative contracts but excluding gains realised on the disposal of certain offshore fund holdings) held within it.

c) Other Taxes

The Sub-Fund may be subject to withholding, capital gains or other taxes on income and/or gains arising from its investment portfolio, including without limitation taxes imposed by the jurisdiction in which the issuer of securities held by the Sub-Fund is incorporated, established or resident for tax purposes. The Sub-Fund may also incur or bear transaction or other similar taxes in respect of the actual or notional amount of any acquisition, disposal or transaction relating to its investment portfolio, including without limitation taxes imposed by the jurisdiction in which the issuer of securities held by the Sub-Fund or the counterparty to a transaction involving the Sub-Fund is incorporated, established or resident for tax purposes. Where the Sub-Fund invests in securities or enters into transactions that are not subject to withholding or other taxes at the time of acquisition, there can be no assurance that tax may not be withheld or imposed in the future as a result of any change in applicable laws, treaties, rules or regulations or the interpretation thereof.

(b) Taxation of Shareholders

Investors should inform themselves of, and when appropriate consult their professional advisers on, the possible tax consequences of subscribing for, buying, holding, switching, redeeming or otherwise disposing of Shares under the laws of their country of citizenship, residence, domicile and/or incorporation.

For the purposes of UK taxation, the same consequences will follow whether the Sub-Fund's income is distributed to a Shareholder or accumulated on its behalf. Reference in the following paragraphs to a distribution of the Sub-Fund are of equal application where income is accumulated.

a) Income Equalisation

Income equalisation applies in relation to the Sub-Fund.

Income equalisation in respect of a Share created or issued or sold by the Company during an accounting period for which income allocation is to be made will be a capital sum representing the ACD's best estimate of the amount of income included in the issue price of a Share (or in the issue price by reference to which the selling price of that Share was determined). The amount of income equalisation per Share is calculated by dividing the aggregate of the amounts of income included in the issue price of Shares of each class of Shares issued or sold to the Shareholders in the relevant accounting period and dividing that aggregate by the number of those Shares in each class of Shares and applying the resulting average to each of the Shares of each class of shares in question.

The income equalisation amount is returned to Shareholders of the Sub-Fund in the first allocation after an acquisition of Shares from the Company in respect of the Shares so acquired as a return of capital. For income distribution Shares, this amount should be deducted from the cost of Shares in computing any capital gain realised on the disposal of those Shares. For accumulation Shares, the equalisation amount is reinvested alongside the taxed income.

The Depositary is not required to distribute income allocated to any Shares in any case where the ACD of the Depositary considers it necessary or appropriate to carry out or complete identification procedures in relation to the Shareholder or another person pursuant to a statutory, regulatory or European Union obligation

b) **Income tax**

a) **Dividend distributions**

Individual Shareholders are liable to UK income tax on dividends and other distributions of income ("distributions") regardless of whether these dividends are reinvested in the Sub-Fund (as in case of Accumulation Shares) or paid to the Shareholder (as in case of Income Shares). The Company does not deduct any taxes on any dividend distributions paid. The dividend allowance for Shareholders resident in the UK on or after 16 April is set at £2,000 and is subject to change (please refer to www.gov.uk). For individual Shareholders resident in the UK, dividends and dividend distributions received or accumulated within the applicable dividend allowance limit in each tax year will be free of income tax (the "dividend allowance"). Where an individual's dividends and dividend distributions from all sources exceed the dividend allowance, the excess will be liable to income tax at the dividend tax rates reflecting the Shareholder's highest rate of tax. These rates are 7.5% for basic rate taxpayers, 32.5% for higher rate taxpayers and 38.1% for additional rate taxpayers (please refer to www.gov.uk). Dividends received within a Shareholders dividend allowance count towards total taxable income and affect the rate of tax due on any dividends received exceeding it.

b) **Interest distributions**

If the total amount shown in the distribution account of the Sub-Fund is shown as available for distribution as

yearly interest, such amount will be treated when distributed or accumulated as if it were a payment of yearly interest. The ACD will generally deduct UK income tax at the rate of 20 per cent. on the gross amount of payments to UK resident Shareholders who will receive credit for the tax suffered. Shareholders liable to UK income tax at the higher rate (40 per cent.) or the additional rate (45 per cent.) must account to HMRC for the further tax due of 20 per cent. (or 25 per cent. in the case of an additional rate taxpayer) on the gross amount of the interest. A basic rate taxpayer has no further tax liability. Shareholders who are non-taxpayers may reclaim all or part of the tax deducted from HMRC.

Corporate Shareholders, individuals who are resident outside the UK, persons who are unlikely to have net income subject to income tax and certain others who are exempt from tax on income, including pension funds, charities and individuals whose Shares are held through an ISA may be eligible to receive interest distributions without the deduction of UK income tax.

c) **Corporation tax**

a) **Dividend distributions**

Shareholders within the charge to corporation tax are subject to tax on a dividend distribution of the Sub-Fund unless it falls within an exemption. Subject to the "corporate streaming" rules below, it is expected that most dividend distributions paid by the Sub-Fund should be exempt from the charge to corporation tax.

Shareholders within the charge to UK corporation tax receive dividend distributions 'streamed' into franked and unfranked income depending on the underlying income of the Sub-Fund, if any, which has been subject to UK corporation tax. The franked stream is treated as franked investment income in the hands of the corporate Shareholder. The unfranked stream is treated as an annual payment from which income tax at the basic rate of 20 per cent. is deemed to have been deducted, the gross amount of which will be chargeable to corporation tax.

Where foreign dividend income is subject to UK tax and foreign tax has been credited in arriving at the UK tax liability, the distribution of such income will be treated as unfranked foreign dividends with a deemed foreign tax credit. The percentages to be used to calculate the allocation between franked investment income, unfranked income and any unfranked foreign dividends received may be set out on tax vouchers accompanying dividend distributions.

The corporate streaming rules also limit the maximum amount of UK income tax that may be reclaimed from HMRC on the unfranked stream. The maximum amount reclaimable by a corporate Shareholder is (broadly) the corporate Shareholder's portion of the Sub-Fund's net liability to UK corporation tax in respect of gross income for the distribution period in question. The tax voucher may state the Sub-Fund's net liability to UK corporation tax in respect of the gross income for the distribution period in question. Additional information may also be provided on the tax voucher, for example, the net liability per Share. Specific

additional rules may also apply to certain Shareholders within the charge to UK corporation tax.

b) **Interest distributions**

Shareholders who are eligible to receive interest distributions gross include, inter alia, companies within the charge to UK corporation tax, UK charities, UK tax-exempt pension funds and ISA plan managers, provided that evidence is received of their eligibility to receive such payments gross.

Where interest distributions are made net, a UK resident corporate Shareholder will be treated as receiving a payment of yearly interest (the "**gross amount**" of the interest distribution) from which tax has been deducted (currently at 20 per cent.). Such a Shareholder will be liable to UK corporation tax on the gross amount of the interest distribution, but will be entitled to credit for the tax deducted at source, and repayment of any excess of the tax credit over the liability to UK corporation tax.

c) **Tax regime applicable to corporate debt**

Under the tax regime in the UK applicable to corporate debt, if at any time during a corporate Shareholder's accounting period the Sub-Fund fails to satisfy the "qualifying investments test", a corporate Shareholder's holding in the Sub-Fund is treated as a creditor loan relationship. As such, the corporate Shareholder will generally be taxed on the increase in the fair value of its holding during that period (rather than on disposal), or obtain tax relief on any equivalent decrease in market value.

The Sub-Fund fails to satisfy the "qualifying investments" test at any time where more than 60 per cent. of its assets by market value consist of "qualifying investments". "Qualifying investments" are broadly those which yield a return directly or indirectly in the form of interest.

d) **Income tax and corporation tax – Certain Shareholders**

a) **Charities and pension funds**

Any income tax withheld from interest distributions and paid to HMRC is repayable to charities and pension funds which are exempt from UK income tax on their investment income. They cannot reclaim the tax credit on dividend distributions.

b) **ISAs**

UK income tax withheld from interest distributions and paid to HMRC is repayable to the ISA plan manager (on behalf of the plan investor). The tax credit on dividend distributions cannot be reclaimed.

c) **Non-resident Shareholders**

Interest distributions may be made without deduction of tax to a Shareholder who certifies to the Company that he or she is an individual who is not resident in the UK for tax purposes.

Shareholders who are not resident in the UK may be entitled to a repayment in respect of the tax credit (where one is available) attached to a dividend distribution or interest distribution. This entitlement is generally dependent on the terms of any double

taxation agreement between the UK and the Shareholder's country of residence; typically these provide for full or partial repayment of tax deducted from interest distributions but little, if any, repayment in respect of dividend distributions.

e) **Tax on gains**

For holders of Shares who are resident for tax purposes in the UK, redemptions and other disposals of Shares will generally be subject to UK capital gains tax or UK corporation tax. Switches between Sub-Funds (if and where permitted) may constitute a disposal for the purposes of UK capital gains tax or UK corporation tax on chargeable gains.

In respect of accumulation Shares, income arising from these Shares may be accumulated and added to the capital property of the Sub-Fund. As a result, such amounts should be added to the allowable cost of such accumulation Shares when calculating the capital gain realised on their disposal for UK capital gains tax or corporation tax on chargeable gains purposes.

Individuals who are resident in the UK are only liable to UK capital gains tax (at the current rate of 10 per cent. or, in the case of higher rate taxpayers and additional rate taxpayers, 20 per cent.) if their total chargeable gains (net of allowable losses) in the year exceed the annual exemption (£11,700 for the 2018/2019 tax year).

Shareholders within the charge to UK corporation tax are chargeable to corporation tax on all such gains, subject to indexation relief.

(c) **Tax Reporting**

The Company, the ACD or both may have obligations to report details of Shareholders and their interest in the Sub-Fund to HMRC or other tax authorities, for example, under the terms of certain UK regulations such as the International Tax Compliance Regulations 2015 (SI 2015/878) (the "**UK Compliance Regulations**"). The UK Compliance Regulations seek to unify, as far as possible, the due diligence and reporting requirements and penalties in relation to various information exchange agreements with the US, Member States of the EU and other jurisdictions.

The Company is required to report to HMRC details of interest distributions paid to UK, and many non-UK, investors. Dividend distributions and payments made to ISA investors are unaffected.

a) **Foreign Account Tax Compliance Act ('FATCA')**

The US-UK Agreement to Improve International Tax Compliance and to Implement FATCA (the "**US-UK IGA**") was entered into with the intention of enabling the UK implementation of the FATCA provisions of the Hire Act which impose a new reporting regime and potentially a 30 per cent. withholding tax on certain payments made from (or attributable to) US sources or in respect of US assets to certain categories of recipient including a non-US financial institution (a "**foreign financial institution**" or "**FFI**") that does not comply with the terms of FATCA and is not otherwise exempt. Certain financial institutions ("**reporting**

financial institutions") are required to register with the US Internal Revenue Service and provide certain information about their US accountholders to HMRC (which information will in turn be provided to the US tax authority) pursuant to UK regulations implementing the US-UK IGA. It is expected that the Company will constitute a UK reporting financial institution for these purposes. It is the Company's intention to procure that it is treated as complying with the terms of FATCA by complying with the terms of the reporting system contemplated by the US-UK IGA. No assurance can, however, be provided that the Company will be able to comply with FATCA and, in the event that it is not able to do so, a 30 per cent. withholding tax may be imposed on payments it receives from (or which are attributable to) US sources or in respect of US assets, which may reduce the amounts available to it to make payments to its Shareholders.

b) UK Multilateral Arrangements

The UK has also entered into multilateral arrangements modelled on the Common Reporting Standard for Automatic Exchange of Financial Account Information published by the Organisation for Economic Co-operation and Development (OECD). These also require the Company to provide certain information to HMRC about Shareholders from the jurisdictions which are party to such arrangements (which information will in turn be provided to the relevant tax authorities).

c) UK Crown Dependencies and Overseas Territories

The Company is also required to comply with UK regulations implementing agreements to improve international tax compliance entered into between the UK and its Crown Dependencies and certain overseas territories (namely, Jersey, Guernsey, The Isle of Man and Gibraltar), pursuant to which the Company will be required to provide certain information about its Shareholders resident in these jurisdictions to HMRC (which information will in turn be provided to the relevant tax authorities).

In light of the above, Shareholders will be required to provide certain information to the ACD to enable the Company to comply with the terms of the UK regulations.

(d) European Union Taxation of Savings Income Directive

European Union Savings Directive may apply to the Company depending on the investments in its underlying portfolios.

On June 3 2003 the European Commission published a directive (EC Directive 2003/48/EC) regarding the taxation of savings income (the "**Directive**"). Depending on the location of the paying agent, it was proposed that Member States are required to provide to the tax authorities of another Member State details of payments of interest (which may include distributions or redemption payments by collective investment funds) or other similar income paid by a person within its jurisdiction to an individual resident in that other Member State, or to operate a withholding

system in relation to such payments. The UK, amongst others, has opted for exchange of information rather than a withholding tax system. The Directive has been enacted into legislation by Member States and applies to interest payments made on or after 1 July 2005.

Accordingly, the ACD, Administrator or Registrar, or such other entity considered a "paying agent" for the purposes of the Directive may be required to disclose details of certain payments (including redemption payments) to investors in the Company who are individuals or residual entities to HMRC who will pass such details to the Member State where the investor resides. To the extent that the paying agent is located in a jurisdiction that operates a withholding tax system under the terms of the Directive, rather than an exchange of information system, tax may be deducted from interest payments to investors.

For the purposes of the Directive, interest payments include income distributions made by certain collective investment funds, to the extent that the fund has invested more than 15 per cent. of its assets directly or indirectly in interest bearing securities and income realised upon the sale, refund or redemption of fund shares to the extent that the fund has invested 25 per cent. of its assets directly or indirectly in interest bearing securities.

The European Council on 24 March 2014 adopted a new directive amending the Directive, with a view to closing existing loopholes and eliminating tax evasion. These changes, which are material, in particular relate to the scope of, and mechanisms implemented by, the Directive.

On 10 November 2015, the European Council announced that it has adopted a Council Directive repealing the Directive with effect from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other Member States (subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates). This is to prevent overlap between the Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU).

(e) Other US Tax Considerations

Under the double tax treaty between the UK and the United States of America, the withholding tax on dividends paid by US corporations on any US equity investments of the Sub-Fund of the Company can be reduced to 15 per cent. from 30 per cent.. The availability of this relief to the Sub-Fund is dependent, amongst other things, on the Company being over 50 per cent. owned by qualifying UK/US persons. Given this shareholding test it is possible that the Sub-Fund will not be eligible for the reduction in withholding tax.

(f) Stamp Duty Reserve Tax (SDRT)

From 30 March 2014, there is no SDRT liability on the redemption of Shares, unless the redemption is in specie and not on a pro rata basis. (As noted in

paragraph 11(e) above, no in specie redemptions will be permitted.)

27. Charges

The current charges made for the Sub-Fund are shown below and are set out in Appendix 1. On giving at least 60 days' written notice to Shareholders, the ACD may, where relevant, increase any charge (including agreeing revised charges with any Service Provider) on the Sub-Fund provided any such increase does not constitute a fundamental change to the Sub-Fund. Any change to charges which constitutes fundamental change will require prior Shareholder consent. For details of the categorisation of fundamental, significant and notifiable changes, please see section 3030.

(a) ACD's Charges

The ACD will impose an annual management fee and a performance fee. Details of the ACD's fee structure for the Sub-Fund as at the date of this Prospectus are set out in Appendix 5.

(b) Depositary's Charges

a) *Periodic Charge*

The remuneration of the Depositary consists of a periodic charge which will be paid out of the property of the Sub-Fund monthly in arrears. The periodic charge comprises a fixed annual fee of £10,000 and £5,000 per annum for cash flow monitoring and Reconciliation transaction charges plus a band range fee, being a percentage of the value of the Scheme. The periodic charge will be calculated and accrued daily, the band range fee being based on the value of the property of the Company on the preceding Business Day which will be apportioned equitably at the discretion of the ACD.

The periodic charge will be at such annual rate (before VAT) as the ACD and Depositary may, from time to time, agree. Currently, the ACD and the Depositary have agreed that the annual rate of the periodic charge will be as follows:

Band range fee:

On the first £250 million – 0.03% per annum

On the next £250 million – 0.02% per annum

On the next £500 million – 0.01% per annum

On the remainder – 0.005% per annum

The periodic charge is subject to an addition for VAT. The periodic charges will be subject to periodic review and may be subject to reasonable increases over time.

b) *Depositary's Expenses*

To the extent permitted by the FCA Handbook, the Depositary will be paid or reimbursed out of the Scheme Property of the Sub-Fund for all fees, costs, charges and other expenses properly incurred by the Depositary, its nominees, custodians, sub custodians or agents in performing the services under the Depositary Services Agreement (and any VAT or any other governmental charges, duties or levies chargeable or payable in respect of such costs,

charges, expenses or fees), which are attributable to the Sub-Fund.

The Depositary will also (either directly or through delegates) act as the global custodian (the "**Custodian**") of the Scheme Property and is entitled to receive reimbursement of the Custodian's fees (where applicable) as an expense of the Company. The Depositary's remuneration for acting as Custodian comprises a transaction fee plus a safekeeping fee, each determined by the territory or country in which the Sub-Fund's assets are held. Currently, the transaction fees are in the range of £4 to £83 per transaction and the safekeeping fees, based upon the value of the assets held in the territory or country in question, are in the range of 0.0041 per cent. to 0.39 per cent. per annum. The Custodian's fees are subject to an annual minimum of £40,000.

Any services provided by the Custodian in addition to safekeeping and transaction services will accrue an additional cost.

(c) Administrator's Charges

a) *Fund Accounting Fees*

The remuneration of the Administrator consists of a periodic charge which will be paid out of the property of the Sub-Fund monthly in arrears. The periodic charge will accrue throughout the month and be charged to the Sub-Fund at the end of each month. The band range fee for each month will be based on the final net asset value of the Sub-Fund at the end of the relevant month.

The periodic charge will be at such annual rate (before VAT) as the ACD and Administrator may, from time to time, agree. Currently, the ACD and the Administrator have agreed that the annual rate of the periodic charge will be as follows:

Annual fee: £60,000 per annum

Band range fee:

On the first £250 million – 0.02% per annum

On the next £250 million – 0.01% per annum

On the next £500 million – 0.0075% per annum

On the remainder – 0.005% per annum

The periodic charge is subject to an addition for VAT. The periodic charges will be subject to periodic review and may be subject to reasonable increases over time.

b) *Middle Office Fees*

HSBC Bank plc, in its capacity as Administrator, will also be entitled to a periodic charge for the provision of middle office services comprising of a band range fee being a percentage of the value of the Scheme. The periodic charge will accrue throughout the month and be charged to the Sub-Fund at the end of the each month. The band range fee for each month will be based on the final net asset value of the Sub-Fund at the end of the relevant month.

The middle office fees will be at such rate (before VAT) as the ACD and the Administrator may, from time to time, agree. Currently, the ACD and the Administrator

have agreed that the middle office fees will be as follows:

Band range fee:

For the first £1,000 million – 0.015% per annum

For the remainder – 0.005% per annum

The periodic charge is subject to an addition for VAT. The periodic charges will be subject to periodic review and may be subject to reasonable increases over time.

(d) Transfer Agency and Registrar Charges

For each class of Shares operated by the Sub-Fund, HSBC Bank plc, in its capacity as the Transfer Agent and Registrar, is entitled to a fixed annual fee and a dealing fee for dealings in that Share class on a per transaction basis. The fixed annual fee will accrue and be charged to the Sub-Fund on a monthly basis. The dealing fee is dependent on whether the deal is made manually or through an automated system. The transfer agency and registrar fees will be at such rate (before VAT) as the Company and the Transfer Agent and Registrar may, from time to time, agree. Currently, the ACD and the Transfer Agent and Registrar have agreed that the transfer agency and registrar fees will be as follows:

Fixed fee: £3,000 per annum per class of Shares

Dealing fee (Manual): £20 per transaction

Dealing fee (Automated): £7 per transaction

The transfer agency and registrar fees will be subject to periodic review and may be subject to reasonable increases over time.

(e) FX Hedging Fees

Share class Hedging - For applicable hedged share classes there will be a range fee applicable on the Net Value Asset of the hedged share class - fee of 0.8 bps per month on NAV between 0-500 million, of 0.6 bps per month between 500 million to 1 billion and a fee of 0.3 bps per month on NAV of **over** 1 billion.

Portfolio Hedging – where the ACD employs currency hedging, there will be a range fee applicable on the Net Asset Value of the Sub-Fund – fee of 0.6 bps per month on NAV between 0-500 million, 0.5 bps per month on 500 million to 1 billion and 0.3 bps per month on NAV of **over** 1 billion. Where applicable, such fees will be published on the Company's website as well as in the annual financial statements.

(f) Auditor's Fees

To ensure quality of the Fund audit, audit fee charged by the auditor will depend on the Fund activity and time spent on the audit. These fees will be published in the annual financial statements.

(g) Other Expenses

The following other expenses may be reimbursed out of the property of the Company:

- a) costs of dealing in the Scheme Property;
- b) costs of marketing the Sub-Fund in the relevant jurisdictions as set out in Appendix 6 including

the fees payable to local representatives and other agents in connection therewith;

- c) interest on borrowings permitted by the Company and related charges;
- d) taxation and duties payable in respect of the Scheme Property, the issue, surrender or transfer of Shares (including, without limitation, stamp duty reserve tax, overseas transfer taxes and capital gains tax and any similar generated tax charges);
- e) any costs incurred in modifying the Instrument of Incorporation, including costs incurred in respect of meetings of Shareholders convened for purposes which include the purpose of modifying the Instrument of Incorporation, where the modification is necessary or expedient by reason of changes in the law or to remove obsolete provisions;
- f) any costs incurred in respect of meetings of Shareholders convened on a requisition by Shareholders not including the ACD or an associate of the ACD;
- g) unanticipated liabilities on unitisation, scheme of arrangement or reconstruction where the property of a body corporate or of another collective investment scheme is transferred to the Depositary in consideration of the issue of Shares in the Company to shareholders in that body or to participants in that other scheme;
- h) the costs of preparation and distribution of reports, accounts, any prospectuses, key investor information documents, the Instrument of Incorporation and any costs incurred as a result of changes to any prospectus or the Instrument of Incorporation, periodic updates of any other administrative documents, as well as the cost of maintaining other documentation required to be maintained in respect of the Company;
- i) any expenses of the Auditor as well as the fees of and expenses of third party tax, legal and other professional advisers; and
- j) the fees of the FCA under Schedule 1 Part III of FSMA and the corresponding periodic fees of any regulatory authority in a country or territory outside the UK in which Shares of the Company are or may be marketed.

In the event that additional Sub-Funds are created under the Company, fees, costs, and duties which are not attributable to a particular Sub-Fund will usually be allocated between the Sub-Funds pro-rata to the net asset value of each Sub-Fund or in accordance with another reasonable method at the ACD's discretion.

28. Conflicts of Interest

The ACD has a conflicts of interest policy which contains the details of identified conflicts or potential conflicts of interest and the procedures it follows in order to avoid, minimise and manage such conflicts or potential conflicts. The ACD is structured and organised in a way so as to minimise the risks of a

client's interests being prejudiced by conflicts of interest and will, wherever possible, try to ensure that a conflict of interest does not arise. In the event that a conflict of interest cannot be avoided, the ACD will always act in the best interests of the Company and ensure that the Sub-Fund is fairly treated. If circumstances arise such that the ACD's arrangements for avoiding and managing conflicts of interest are not sufficient to ensure with reasonable confidence that the risks of damage to the interests of the Sub-Fund or its Shareholders will be prevented, the senior management of the ACD must act to ensure that appropriate action is taken in the best interests of the Sub-Fund and its Shareholders.

The conflicts of interest policy is reviewed by senior management of the ACD at least once a year or whenever there are material changes in the business services to be offered by the ACD.

The Depositary may act as the depositary of other open-ended investment companies or authorised contractual schemes and as trustee or custodian of other collective investment schemes. The Depositary when acting as such must act solely in the interests of the relevant investors.

The FCA Handbook contains provisions governing any transaction with the Sub-Fund, which is carried out by, or with any "affected person", which will include the ACD, an associate of the ACD, the Depositary and an associate of the Depositary. These provisions allow an affected person to buy from or sell property to the Sub-Fund, lend money to the Sub-Fund or accept a deposit of cash from the Sub-Fund if certain conditions are met. The conditions vary depending on the type of transaction but are designed to ensure the Sub-Fund is treated on a normal arms-length commercial basis.

29. Fair Treatment

The detailed rights and obligations of the Depositary, the ACD and the Shareholders are set out in the Instrument of Incorporation. The Company ensures that the Instrument of Incorporation is made available for review by each Shareholder as set out in section 33.i)33.i), such that each Shareholder is informed about its rights and obligations under that document. The Company seeks to ensure fair treatment of all Shareholders by complying with the terms of the Instrument of Incorporation and applicable law.

30. Changes to the Company and Meetings of Shareholders

Changes to the Company or the Sub-Fund may be made in accordance with the method of classification described in sections (a), (b) and (c) below.

(a) Fundamental Change

A fundamental change is a change or event which:

- a) changes the purpose or nature of the Company or the Sub-Fund; or
- b) may materially prejudice a Shareholder; or
- c) alters the risk profile of the Company or the Sub-Fund; or

- d) introduces any new type of payment out of Scheme Property.

The ACD will obtain prior approval from Shareholders to any fundamental change by way of an Extraordinary Resolution of the Shareholders of the Company or the Sub-Fund. See below for details of calling a meeting of Shareholders.

(b) Significant Change

A significant change is a change or event which the ACD has determined is not a fundamental change but is a change which:

- a) affects a Shareholder's ability to exercise its rights in relation to its investment; or
- b) would reasonably be expected to cause a Shareholder to reconsider its participation in the Company or the Sub-Fund; or
- c) results in any increased payments out of Scheme Property to the ACD or any of its associate companies; or
- d) materially increases other types of payment out of Scheme Property.

The ACD will give Shareholders at least 60 days' notice in advance of implementing any significant change.

(c) Notifiable Change

A notifiable change is a change or event, other than a fundamental change or a significant change, which is reasonably likely to affect or have affected the operation of the Company or the Sub-Fund.

Depending on the nature of the change the ACD will inform Shareholders of notifiable events either by:

- a) sending an immediate notification to Shareholders; or
- b) publishing information about the change on the ACD's website; or
- c) including it in the next report for the Company.

(d) Notice

The ACD will write to Shareholders at their registered postal address to give notice of any fundamental change or significant change.

(e) Meetings of Shareholders

Rules for the calling and conduct of meetings of Shareholders and the voting rights of Shareholders at such meetings are governed by the COLL Sourcebook and the Instrument of Incorporation. The Company will not hold annual general meetings. At a meeting of Shareholders a resolution put to the vote shall be decided on a show of hands unless a poll is demanded by the chairman, by the Depositary or by at least two Shareholders present in person or by proxy. On a show of hands, every Shareholder who (being an individual) is present in person or, (being a corporation) is present by its representative properly authorised in that regard, has one vote. On a poll, the voting right for each Share must be the proportion of

the voting rights attached to all of the Shares in issue that the value of the Share bears to the aggregate value of all the Shares in issue. A person entitled to more than one vote need not use all its votes or cast all the votes it uses in the same way.

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

In the case of joint Shareholders any joint Shareholder may vote provided that if more than one votes the most senior Shareholder in the Register who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint Shareholders.

On a poll, votes may be given either personally or by proxy.

The ACD and its associates may hold Shares in the Sub-Fund. The ACD is entitled to receive notice of and attend any meeting but it is not entitled to vote or be counted in the quorum and its Shares are not regarded as being in issue in relation to such meetings. An associate of the ACD may be counted in the quorum and if in receipt of voting instructions may vote in respect of Shares held on behalf of a person who, if itself the registered Shareholder, would be entitled to vote, and from whom the associate has received voting instructions.

31. Winding Up

The Company or the Sub-Fund will not be wound up except as an unregistered company under Part V of the Insolvency Act 1986 or under the COLL Sourcebook. The Sub-Fund may otherwise only be wound up under the COLL Sourcebook.

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

The Company may be wound up or the Sub-Fund terminated upon the happening of any of the following:

- a) an Extraordinary Resolution to that effect is passed by the Shareholders; or
- b) the period (if any) fixed for the duration of the Company or the Sub-Fund by the Instrument of Incorporation expires, or any event occurs on the occurrence of which, the Instrument of Incorporation provides that the Company or the Sub-Fund is to be wound up, including where

the share capital of the Company is below its prescribed minimum or (in relation to the Sub-Fund) the net asset value of the Sub-Fund is less than £100,000, or if a change in the laws or regulations of any country mean that, in the ACD's opinion, it is desirable to terminate the Sub-Fund; or

- c) the effective date of a duly approved scheme of arrangement, which is to result in the Company (or the Sub-Fund) being left with no property; or
- d) the FCA agrees to a request by the ACD for the revocation of the authorisation order in respect of the Company or the Sub-Fund.

On the occurrence of any of the above (the "**relevant events**"):

- (a) the provisions of COLL 6.2 (Dealing), COLL 6.3 (Valuation and pricing) and COLL 5 (Investment and borrowing powers) will cease to apply to the Company or the Sub-Fund (as the case may be);
- (b) the Company will cease to issue and cancel Shares in the Company or the Sub-Fund;
- (c) the ACD must cease to sell or redeem Shares or to arrange for the issue or cancellation of Shares in the Company or the Sub-Fund;
- (d) no transfer of a Share may be registered and no other change to the Register may be made without the approval of the ACD;
- (e) where the Company is being wound up, the Company must cease to carry on its business, except for its beneficial winding up; and
- (f) the corporate status and corporate powers of the Company (subject to the preceding paragraphs (a) to (e)) and the powers of the ACD will remain until the Company is dissolved.

On a winding up the ACD is required as soon as practicable after the Company or a Sub-Fund falls to be wound up, to realise the Scheme Property of the Company or the Sub-Fund and, after paying out of the Company or the Sub-Fund or retaining adequate provision for all liabilities properly so payable and retaining provision for the costs of the winding up, arrange for the Depositary to make one or more interim distributions out of the proceeds to the Shareholders proportionately to their rights to participate in the Scheme Property of the Company or the Sub-Fund. If the ACD has not previously notified the Shareholders of the proposal to wind up the Company or to terminate the Sub-Fund, the ACD shall, as soon as practicable after the commencement of the winding up of the Company or the termination of the Sub-Fund, give notice in writing to the Shareholders. When the ACD has used all of the Scheme Property to be realised and all of the liabilities of the Company or the Sub-Fund have been discharged, the ACD will arrange for the Depositary to make a final distribution of any balance remaining to the Shareholders on or prior to the date on which the final account is sent to the Shareholders,

in proportion to their holdings in the Company or the Sub-Fund.

On the completion of a winding up of the Company or the termination of the Sub-Fund, the Company will be dissolved or the Sub-Fund terminated and any unclaimed net proceeds or other cash standing to the account of the Company or the Sub-Fund will be paid into court within one month of the dissolution or termination in accordance with the OEIC Regulations.

Except to the extent that the ACD can show that it has complied with the duty to ascertain liabilities under the COLL Sourcebook, the ACD is personally liable to meet any liabilities of the Company or the Sub-Fund wound up or terminated that were not discharged before the completion of the winding up or termination.

If, where the Company is wound up, the proceeds of the realisation of the assets attributable or allocated to the Sub-Fund are not sufficient to meet the liabilities attributable or allocated to the Sub-Fund, the ACD must pay to the Company, for the account of the Sub-Fund, the amount of the deficit unless and to the extent it can show that the deficit did not arise as a result of any failure by the ACD to comply with the COLL Sourcebook. Such liability of the ACD will be an accruing debt due from it on the completion of the winding up or termination and is payable on demand. Such obligations are in addition to any other obligations that the ACD may have under general law.

On completion of the winding up, the Depositary must notify the FCA in writing of that fact and at the same time, the ACD or the Depositary must request the FCA to revoke the relevant authorisation order (on the winding up of the Company) or to update its records (on the termination of the Sub-Fund).

Following completion of a winding up of the Company or termination of the Sub-Fund, the ACD must prepare an account showing how the winding up took place and how the property was distributed. Such an account will be a final account for the purposes of winding up the Company and a termination account for the purposes of the termination of the Sub-Fund. The Auditors of the Company shall make a report in respect of the final account or termination account (as the case may be) stating their opinion as to whether such account has been properly prepared. The final account or termination account (as the case may be) and the Auditor's report must be sent to the FCA and to each Shareholder (or the first named of joint Shareholders) within four months of the completion of the winding up of the Company or the termination of the Sub-Fund.

32. Allocation of Income

The income available for allocation is determined in accordance with the COLL Sourcebook and the Investment Management Association's Statement of Recommended Practice for Accounting Standards for Investment Funds (SORP).

Distributable income comprises all income received or receivable for the account of the Sub-Fund in respect of the accounting period, after deducting net charges and expenses paid or payable out of such income and after making such adjustments as the ACD considers

appropriate, in accordance with the COLL Sourcebook.

Income on debt securities, such as bonds and other fixed interest securities is calculated using the "Effective Interest Rate" method, in accordance with the methodology laid down in the SORP.

The Effective Interest Rate method for calculating income generated from debt securities treats any premiums and discounts arising on the purchase of a debt security (when compared to its maturity or par value) as income and this, together with any future expected income streams on the debt security, is amortised (written off) over the life of that security (to its maturity) and discounted back to its present value and included in calculation of distributable income.

For the purposes of allocating income, the ACD will determine on an annual basis, with reference to the objectives of the Sub-Fund, whether such income should exclude premiums and discounts arising on purchase of bonds attributed through the Effective Interest Rate method.

The Sub-Fund will distribute any available income following the end of its accounting periods in relation to which it has an income allocation date. Each accounting period ends on an accounting date (either interim or final). Details of the accounting periods and income allocation dates for the Sub-Fund are set out in Appendix 1.

In relation to accumulation Shares, any available income will become part of the capital property of the Sub-Fund as at the end of the relevant accounting period. In relation to income Shares, any income distribution will be made on or before the relevant allocation date for the Sub-Fund to those Shareholders who are entitled to the allocation by evidence of their holding on the Register at the previous accounting date for the Sub-Fund. If an income allocation date is not a Business Day, the allocation will be made on the next Business Day.

33. Additional Information

- a) Generally, the profile of the typical investor for whom the existing Sub-Fund has been designed is an investor wishing to invest in stocks, shares and related financial instruments for the long term (at least five years) and who is prepared to accept fluctuations in the value of their investment and the risks associated with investing in the Sub-Fund, as described in section 25, "Risk Considerations" of this Prospectus. The ACD will not consider the suitability or appropriateness of an investment in the Sub-Fund for any Shareholder's individual circumstances. Shareholders should be willing to accept capital and income risk, which may vary greatly from Sub-Fund to Sub-Fund in the event that additional Sub-Funds are created. The Sub-Fund is not suitable for short term investment and should therefore generally be regarded as a long-term investment of at least five years. The price of the Shares in the Sub-

Fund, and any income from them, can go down as well as up and is not guaranteed.

- b) A subscription for or redemption of Shares by approved electronic communication and/or in writing is a legally binding contract.
- c) Any person relying on the information contained in this Prospectus, which was current at the date shown, should check with the Company that this document is the most recent version and that no revisions have been made nor corrections published to the information contained in this Prospectus since the date shown.
- d) This document is important and Shareholders should read all the information contained in it carefully. If Shareholders are in any doubt as to the meaning of any information contained in this document, Shareholders should consult either the Company or their financial adviser. The Company has taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects and that there are no material facts, the omission of which would make misleading any statement herein whether of fact or opinion.
- e) Long reports on the Company are available free of charge on request to the ACD and include a list of the Sub-Fund's holdings of securities. Long reports must be made available to the Shareholders within four months of the end of the annual accounting period and within two months of the end of the half-yearly accounting period. For information on the publication dates pertaining to the reports of the Sub-Fund, please refer to Appendix 1.
- f) Complaints may be made about the operation of the Company or any aspect of the service received to the Compliance Officer of the ACD at its registered address. Written details of the Company's complaints procedure are available from the ACD upon request. If a Shareholder is not satisfied with the way the ACD handles a complaint, a Shareholder who is an "Eligible Complainant" for the purposes of the FCA "Dispute Resolution: Complaints" rules may refer their complaint to the FOS at Exchange Tower, E14 9SR (further contact details available at www.financial-ombudsman.org.uk). Making a complaint will not prejudice a Shareholder's right to take legal action.
- g) The ACD is a participant in the FSCS. Shareholders may be entitled to compensation from the FSCS if the ACD cannot meet its obligations. This depends on the eligibility of the claimant, the type of business and the circumstances of the claim. Most types of investment business are covered for 100 per cent. of the first £85,000, so the maximum compensation is £85,000. Further information about the FSCS is available on request, or by contacting the FSCS Limited at 10th Floor, Beaufort House, 15 St. Botolph Street, London

EC3A 7QU Tel: 0800 678 1100, or at www.fscs.org.uk.

- h) The Sub-Fund qualifies as a UK UCITS scheme which may, subject to the satisfaction of any further requirements, be marketed only to the jurisdictions as set out in Appendix 6, which also includes relevant details regarding provision of information and status for each such jurisdiction.
- i) Copies of the Instrument of Incorporation, the key investor information documents of the Sub-Fund, the ACD Agreement and the most recent annual and half-yearly reports may be inspected at the ACD's registered office during Normal Business Hours. Copies of the Prospectus may be obtained from the ACD at its registered office free of charge and copies of the Instrument of Incorporation are available free of charge to Shareholders and at a charge of up to £5 per copy for each Instrument of Incorporation for non-Shareholders.
- j) The personal details of each Shareholder will be held by the Company in accordance with current data protection law for the purposes of carrying out its agreement with each Shareholder. Information regarding the Company's data protection policies is available upon request.

34. Risk Management Process

The ACD is required by the COLL Sourcebook to employ a risk management process in respect of the Sub-Fund which enables it to accurately monitor and manage the global exposure from the financial derivative instruments ("**global exposure**") which each Sub-Fund gains.

The ACD uses a risk methodology appropriate to the Sub-Fund. This may be a Net Commitment approach or a Value at Risk ("**VaR**") approach in order to measure the global exposure of the Sub-Fund and manage the potential loss to them due to market risk. The VaR methodology measures the potential loss to a fund at a particular confidence (probability) level over a specific time period and under normal market conditions. The ACD uses 95 per cent. confidence interval and one month measurement period for the purposes of carrying out this calculation.

There are two types of VaR measures which can be used to monitor and manage the global exposure of the Sub-Fund: "Relative VaR" where risk is assessed with respect to a benchmark or reference portfolio and "Absolute VaR" where risk is assessed in absolute terms.

The ACD uses either the Absolute VaR methodology or the Net Commitment approach to monitor the global exposure of the Sub-Fund as appropriate to its investment strategy. (See section 2525, "Risk Considerations")

APPENDIX 1

EQUITILE RESILIENCE FUND

The Equitile Resilience Fund is a sub-fund of Equitile Investments OEIC, a UK UCITS retail scheme under the COLL Sourcebook. The Sub-Fund was authorised by the FCA on 16 December 2015. The Sub-Fund's FCA product reference number is 729208.

Investment Objective and Policy

The Sub-Fund aims to deliver capital growth over a 5 year rolling period by investing in the global equities of resilient large cap companies (Market Capitalization greater than \$5BN), meaning those assessed as being well-managed, conservatively financed and benefiting from strong corporate governance. Additionally, the Sub-Fund may choose to invest in bonds and money market instruments as part of strategy diversification. Investors may assess the success of this strategy by considering, in combination, the average annual return of the Sub-Fund and the average annual maximum loss of the Sub-Fund where the annual maximum loss is defined as the largest percentage loss which an investor could have incurred by investing into and subsequently redeeming from the Sub-Fund within a given year.

In normal market conditions, the Sub-Fund will be close to fully invested in equity securities (e.g. shares) of companies assessed as being well-managed, conservatively financed and benefiting from strong corporate governance.

Allocations to bonds and cash may be made periodically for the purpose of capital preservation.

Use may be made of cash holdings, hedging and other investment techniques for the purposes of efficient portfolio management as permitted by the COLL Sourcebook.

The Sub-Fund will not utilise borrowing or leverage in order to achieve the investment objective. Short term borrowing may be used for the purposes of efficient portfolio management.

The Sub-Fund may utilise derivatives for efficient portfolio construction and for hedging purposes.

Additional Information on the Sub-Fund

ACD

Equitile Investments Ltd

Type of Shares

The following Share classes are available for investment in the Sub-Fund as at the date of the Prospectus:

Class A – GBP Accumulation

Class B – EUR Accumulation

Class C – USD Accumulation

Class E – NOK Accumulation

The following Share classes are available to launch at the Company's discretion:

Class D – CHF Accumulation

Class B1 – EUR Hedged Accumulation

Class B1 will be a Hedged Share Class.

Class C1 – USD Hedged Accumulation

Class C1 will be a Hedged Share Class.

Class D1 – CHF Hedged Accumulation

Class D1 will be a Hedged Share Class.

Class E1 – CHF Hedged Accumulation

Class E1 will be a Hedged Share Class.

Dealings	Each Business Day between 8.30 a.m. and 5.30 p.m.
Deal Cut-Off Point	11 a.m.
Valuation Point	Each Business Day at 3 p.m.
Initial Offer Period	The initial offer period commenced at 8.30 a.m. on 1 February 2016 and closed at 5.30 p.m. on 26 February 2016.
Launch Date	29 February 2016
Initial Offer Price	Class A: £100. Class B: €100. Class C: US\$100. Class E: NOK 100

	Class A	Class B	Class C	Class D	Class E
*Minimum Investment	£10,000	€10,000	US\$10,000	CHF 10,000	NOK 100,000
*Minimum Further Investment	£5,000	€5,000	US\$5,000	CHF 5,000	NOK 50,000
*Minimum Holding	£5,000	€5,000	US\$5,000	CHF 5,000	NOK 50,000
**Minimum value for partial transfer of Shares	£10,000	€10,000	US\$10,000	CHF 10,000	NOK 100,000
		Class B1	Class C1	Class D1	Class E1
*Minimum Investment		€10,000	US\$10,000	CHF 10,000	NOK 100,000
*Minimum Further Investment		€5,000	US\$5,000	CHF 5,000	NOK 50,000
*Minimum Holding		€5,000	US\$5,000	CHF 5,000	NOK 50,000
**Minimum value for partial transfer of Shares		€10,000	US\$10,000	CHF 10,000	NOK 100,000

*****Criteria for investment** Class A Shares are currently only available for retail investors and "professional clients" (in relevant jurisdictions as stated in Appendix 6 where the sub-fund is eligible to be marketed).

Class B Shares are currently only available for retail investors and "professional clients" (in relevant jurisdictions as stated in Appendix 6 where the sub-fund is eligible to be marketed).

Class C Shares are currently only available for retail investors and "professional clients" (in relevant jurisdictions as stated in Appendix 6 where the sub-fund is eligible to be marketed). Class E Shares are currently only available for retail investors and "professional clients" (in relevant jurisdictions as stated in Appendix 6 where the sub-fund is eligible to be marketed).

Class D Shares, when launched will be available to investors who are resident in Switzerland for tax purposes to whom Shares in the Sub-Fund may be validly offered and distributed.

Class B1, C1 & D1 shares will be available to eligible professional or other investors at the discretion of the ACD

******Current Charges** No entry and exit charges.

Accounting Dates

Annual Accounting Date 31 December

First Accounting Date 31 December 2016

Annual Income Allocation Date 31 March

Half-Yearly Accounting Date 30 June

* Further details are given in section 18 titled "Share Denominations, Minimum Investment and Minimum Holding" in this Prospectus. Minimum investment and holdings amounts may be waived at the ACD's discretion.

** Further details are given in section 11 titled "Subscription and Redemption of Shares" in this Prospectus. The minimum value for a partial transfer of Shares may be waived at the ACD's discretion. The ACD may also make dilution adjustments in certain situations as detailed in section 16 titled "Dilution Adjustment" in this Prospectus.

*** Currently, the Sub-Fund is only marketed in the UK and certain other jurisdictions as detailed in Appendix 6. The Sub-Fund may be marketed in other jurisdictions at the ACD's discretion and subject to compliance with the requirements of the FCA Handbook and any other applicable laws, rules and regulations in the relevant jurisdictions. Existing Share classes may be offered in such other jurisdictions as the ACD may, at the relevant time, determine at its discretion.

**** Further details are given in section 27 titled "Charges" in this Prospectus.

Leverage

Leverage is limited to that derived from investment in derivatives for the purpose of risk reduction or efficient portfolio management.

The overall exposure from combining the derivative positions, securities and other assets held within the Sub-Fund shall be such as to fall within the asset allocation guidelines and investment restrictions.

All transactions in derivatives are fully covered and are not used as a means of gearing the Sub-Fund.

Permitted derivatives	Permitted?	Prohibited?
Foreign exchange forwards		Yes
Equity Index futures	Yes	
Government bond futures	Yes	
Options		Yes
OTC Derivatives		Yes

Total costs associated with the Sub-Fund

Management Fee	0.7 per cent. over the first £350 million of the net asset value of the Sub-Fund. No management fee will be payable on the net asset value in excess of £350 million.*
Performance Fee	10 per cent. on net returns generated on investments at any Valuation Point attributable to that part of the net asset value of the Sub-Fund in excess of £350 million.†
Fund Accounting Fee	Fixed fee of £60,000 per annum plus a band range fee of a maximum of 0.02 per cent. per annum of the net asset value of the Sub-Fund.‡
Middle Office Fee	A band range fee of a maximum of 0.015 per cent. per annum of the net asset value of the Sub-Fund.§
Transfer Agency and Registrar Fee	Fixed fee of £3,000 per annum per Share class plus a dealing fee of £20 per transaction (if manual) and £7 per transaction (if automated).
Depository Fee	A fixed fee of £10,000 per annum and £5,000 per annum for cash flow monitoring and Reconciliation transaction charges plus a band range fee of a maximum of 0.03 per cent. per annum of the net asset value of the Sub-Fund.**
Custody Fees	A safekeeping fee in the range of 0.0041 per cent. to 0.39 per cent. of the value of the assets held in custody depending on the territory or country in which the assets are located. A transaction fee in the range of £4 to £83 per transaction depending on the territory or country where the transaction is executed. The safekeeping fee and the transaction fee is subject to an annual minimum of £40,000.††
Auditor's Fee	To ensure quality of the Fund audit, audit fee charged by the auditor will depend on the Fund activity and time spent on the audit. These fees will be published in the annual financial statements.
FX hedging	<p>Portfolio Hedging – the currency hedging fee will be applicable where the ACD uses FX forwards to hedge the currency exposure. It will be a range fee applicable on the Net Asset Value of the Master Fund. A fee of 0.6 bps per month on NAV between 0-500 million, 0.5 bps per month on 500 million to 1 billion and 0.3 bps per month on NAV of over 1 billion. Where applicable, such fees will be published on the Company's website as well as in the annual financial statements.</p> <p>Share class Hedging - For applicable share classes there will be range fee applicable on the Net Value Asset of the hedged share class - fee of 0.8 bps per month on NAV between 0-500 million, of 0.6 bps per month between 500 million to 1 billion and a fee of 0.3 bps per month on NAV of over 1 billion.</p>

* Further details are available in Appendix 5 of this Prospectus.

† Further details are available in Appendix 5 of this Prospectus.

‡ Further details of the band range fee are available in section 27 of this Prospectus.

§ Further details of the band range fee are available in section 27 of this Prospectus.

** Further details of the band range fee are available in section 27 of this Prospectus.

†† Further details of the safekeeping fee and the transaction fee are available in section 27 of this Prospectus.

APPENDIX 2
FUNDS MANAGED BY THE ACD

Name	Regulatory Status
Equitable Resilience Fund	UK UCITS Scheme

APPENDIX 3

INVESTMENT RESTRICTIONS APPLICABLE TO THE COMPANY

1. Investment and Borrowing Powers

1.1 The property of the Sub-Fund will be invested with the aim of achieving its investment objective as set out in Appendix 1 but subject to the limits set out in Chapter 5 of the COLL Sourcebook. The ACD will ensure that, taking into account the investment objectives and policies of the Sub-Fund, it aims to provide a prudent spread of risk. .

1.2 The ACD uses a risk management process, as reviewed by the Depositary, enabling it to monitor and measure as frequently as appropriate the risk of the Sub-Fund's portfolio and contribution of the underlying investments to the overall risk profile of the Scheme. The details of the risk management process must be notified by the ACD to the FCA in advance and should include the following information:

- a) the types of investments to be used within the Sub-Fund together with their underlying risks and any relevant quantitative limits;
- b) the methods for estimating risks in the portfolio to ensure these are adequately captured; and
- c) the risks relating to the Sub-Fund's other investments to ensure they are adequately captured.

The ACD must notify the FCA in advance of any material alteration to the details above.

1.3 Unless the context suggests otherwise, in this Appendix 3, references to sections and paragraphs shall mean sections and paragraphs in this Appendix 3.

2. Eligible Assets

2.1 Subject to the investment objective and policy of the Sub-Fund, the property of the Sub-Fund must only, except where otherwise provided in COLL 5, consist of any one or more of:

- a) transferable securities;
- b) approved money-market instruments;
- c) units or shares in permitted collective investment schemes;
- d) permitted derivatives and forward transactions; and
- e) permitted deposits.

The following restrictions under the COLL Sourcebook and (where relevant) determined by the ACD currently apply to the Sub-Fund.

3. Transferable Securities and Approved Money Market Instruments

3.1 A transferable security is an investment that is either a share, a debenture, an alternative debenture, a government and public security, a warrant or a certificate representing certain securities which is transferable without the consent of any third party (other than the issuer where the investment is either a share or debenture and the issuer is a body corporate) and the liability over that investment is limited to any unpaid amount in respect of that investment.

3.2 The investments of the Sub-Fund shall consist of one or more of the following:

- a) transferable securities and approved money-market instruments admitted to or dealt in a regulated market (as defined by the FCA);
- b) transferable securities and approved money-market instruments dealt in on other markets in the United Kingdom or Member States of the EEA, that are operating regularly, are recognised and are open to the public;
- c) transferable securities and approved money-market instruments admitted to official listings on or dealt in on other eligible markets; or
- d) recently issued transferable securities provided that the terms of issue include an undertaking that application will be made to be admitted to an eligible market and such admission is secured within a year of issue.

3.3 A transferable security is eligible for investment if it meets the following criteria:

- a) the potential loss that the Sub-Fund may incur by holding the security is limited to the amount paid for it;
- b) its liquidity does not compromise the ACD's ability to redeem Shares;
- c) reliable and regular valuation is available to the market and the ACD as follows:
 - (i) in the case of a transferable security admitted to or dealt in on an eligible market, where there are accurate, reliable and regular prices which are either market prices or prices made available by valuation

- systems independent from issuers;
- (ii) in the case of a transferable security not admitted to or dealt in on an eligible market, where there is a valuation on a periodic basis which is derived from information from the issuer of the transferable security or from competent investment research;
- d) appropriate information about the transferable security is available to the market and the ACD as follows:
- (iii) in the case of a transferable security admitted to or dealt in on an eligible market where there is regular, accurate and comprehensive information available to the market on the transferable security or, where relevant, on the portfolio of the transferable security;
 - (iv) in the case of a transferable security not admitted to or dealt in on an eligible market, where there is regular and accurate information available to the ACD on the transferable security or, where relevant on the portfolio of the transferable security;
- e) the transferable security is negotiable; and
 - f) its risks are adequately captured by the risk management process of the ACD.
- 3.4 Unless information is available to the ACD that would lead to a different determination, a transferable security which is admitted or dealt on an eligible market shall be presumed: (i) not to compromise the ability of the ACD to be able to redeem Shares; and (ii) to be negotiable. The list of eligible securities markets for the Sub-Fund is set out in Schedule 1 to this Prospectus.
- 3.5 Approved money-market instruments are those normally dealt in on the money-market, are liquid and have a value which can be accurately determined at any time, with the exception of those dealt in on an eligible market where there is information available to the ACD that would lead to a different determination.
- 3.6 Approved money-market instruments other than those listed on or dealt on an eligible market are eligible if the issue or issuer of such approved money-market instruments is itself regulated for the purpose of protecting investors and savings, and provided they are issued or guaranteed by a central, regional or local authority of the United Kingdom or an EEA State, or the Bank of England, a central bank of an EEA State, the European Central Bank, the European Union or the European Investment Bank, a non-EEA State or, in the case of a federal state, by one of the members making up the federation, or by a public international body to which the United Kingdom or one or more EEA States belong; or issued by a body, any securities of which are dealt in on an eligible market; or issued or guaranteed by an establishment subject to prudential supervision in accordance with criteria defined by UK or EU law or by an establishment which is subject to and complies with prudential rules considered by the FCA to be at least as stringent as those laid down by UK or EU law.
- 3.7 The Sub-Fund may invest no more than 10 per cent. of its property in transferable securities or approved money-market instruments which do not meet the criteria in paragraphs 3.2 to 3.6 above subject to the requirements of the COLL Sourcebook.
- 4. Closed-End Funds and Asset-Linked Securities**
- 4.1 The Sub-Fund will not invest in any closed-ended funds or any asset linked securities.
- 5. Eligible Markets**
- 5.1 A market is eligible for the purposes of the rules if it is a regulated market, or a market in the United Kingdom or an EEA State which is regulated, operates regularly and is open to the public.
- 5.2 A market not falling within the above definition is eligible if the ACD, after consultation with and notification to the Depositary, decides that market is appropriate for the investment of, or dealing in, the property of the Sub-Fund, the market is included in a list in the Prospectus, and the Depositary has taken reasonable care to determine that adequate custody arrangements can be provided for the investment dealt in on that market, and all reasonable steps have been taken by the ACD in deciding whether that market is eligible.
- 5.3 A market must not be considered appropriate by the ACD under paragraph 5.2 above unless it is regulated, operates regularly, is recognised, is open to the public, is adequately liquid and has adequate arrangements for unimpeded transmission of income and capital to or to the order of investors. The list of eligible securities and derivatives markets for the Sub-Fund is set out in Schedule 1 to this Prospectus.
- 6. Collective Investment Schemes**
- 6.1 The Sub-Fund may invest in units or shares in other collective investment schemes (the

"**Second Schemes**") provided the Second Schemes:

- a) are UK UCITS or satisfy the conditions necessary for them to enjoy the rights conferred by the UCITS Directive; or
- b) are recognised schemes authorised by the supervisory authorities of Guernsey, Jersey or the Isle of Man and meet the requirements of COLL 5.2.13AR; or
- c) are authorised as Non-UCITS retail schemes (provided the requirements of COLL 5.2.13AR(1), (3) and (4) are met); or
- d) are authorised in EEA State and meet the requirements of COLL 5.2.13AR; or
- e) are authorised by the competent authority of an OECD member country (other than the United Kingdom or an EEA State) which has:
 - (i) signed the IOSCO Multilateral Memorandum of Understanding; and
 - (ii) approved the Scheme's management company, rules and depositary / custody arrangements,

provided that the requirements of COLL 5.2.13AR are met.

- 6.2 No more than 10 per cent of the value of the Sub-Fund may be invested in collective investment schemes whether they are UCITS schemes or are eligible for investment on the basis of meeting the conditions stated in paragraphs 6.1(b) to (e) above.
- 6.3 The Second Scheme must, where relevant, comply with the requirements of COLL 5.2.15 (Investments in associated collective investment schemes) and COLL 5.2.16 (Investment in other group schemes). It is currently not intended that the Sub-Fund will invest in associated collective investment schemes or other group schemes.
- 6.4 The Second Schemes must be prohibited under their constitutional documents from having no more than 10 per cent. in value of the property of such scheme consisting of units in collective investment schemes.
- 6.5 For the purposes of paragraphs **Error! Reference source not found.** and 6.4 and section 16, where the Second Scheme is an umbrella scheme, each sub-fund of such a scheme is to be treated as if it were a separate scheme.

7. Deposits, Cash and Near Cash

- 7.1 The Sub-Fund may invest in deposits only with an Approved Bank (as defined by the FCA)

which are repayable on demand or have the right to be withdrawn, and which mature in no more than 12 months.

- 7.2 The investment objective and policy of the Sub-Fund may mean that at times it is appropriate not to be fully invested but to hold cash or near cash for reasons other than for the purpose of meeting the Sub-Fund's investment objective (where applicable). Cash and near cash must not be retained in the Scheme Property of the Sub-Fund except to the extent that this may reasonably be regarded as necessary in order to enable:

- a) redemption of Shares; or
- b) efficient management of the Sub-Fund in accordance with its investment objectives; or
- c) other purposes which may reasonably be regarded as ancillary to the investment objectives of the Sub-Fund; or
- d) pursuit of the Sub-Fund's investment objectives.

- 7.3 During any initial offer period, the Scheme Property of the Sub-Fund may consist of cash and near cash without limitation.

8. Warrants

Where the Sub-Fund invests in warrants, the ACD must ensure that upon exercising the right conferred by the warrant the exposure created does not exceed the general limits on spread of investments set out below. No more than 5 per cent. of the property of the Sub-Fund will be invested in warrants.

9. **Nil and Partly Paid Securities** In respect of nil and partly paid securities; a transferable security or approved money-market instrument on which any sum is unpaid falls within a power of investment only if it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by the Sub-Fund, at the time when payment is required, without contravening the rules in COLL 5.

10. General - Derivatives and Forward Transactions

- 10.1 The Sub-Fund may use derivatives to hedge market and currency risk for the purposes of efficient portfolio management (as described in paragraph 10.2).

The use of derivatives for the purpose of hedging and managing risk and for efficient portfolio management is not intended to increase the risk profile of the Sub-Fund. The ACD uses a risk management process to monitor and measure as frequently as appropriate the risk of a Sub-Fund's portfolio and contribution of the underlying

investments to the overall risk profile of the Sub-Fund.

However, the use of derivatives may expose the Sub-Fund to a higher degree of risk. In particular, derivative contracts can be highly volatile and the amount of initial margin is generally small, relative to size of the contract, so that transactions are geared, as described in paragraph 11.6. A relatively small market movement may have a potentially larger impact on derivatives than in standard bonds or equities.

The use of derivatives in pursuit of the investment objectives of the Sub-Fund may alter the risk profile of the Sub-Fund and lead to higher volatility in the Share price of the Sub-Fund.

10.2 Where derivatives are used for the purpose of efficient portfolio management, they will only be used in accordance with the following criteria:

- a) they are economically appropriate in that they are realised in a cost effective way;
- b) they are entered into for one or more of the following specific aims:
 - (i) reduction of risk;
 - (ii) reduction of costs; or
 - (iii) generation of additional capital or income for the Sub-Fund with a level of risk which is consistent with the risk profile of the Sub-Fund; and
- c) their risks are adequately captured by the ACD's risk management process.

10.3 The ACD uses a risk management process, as reviewed by the Depositary, enabling it to monitor and measure as frequently as appropriate the risk of a Sub-Fund's positions and their contribution to the overall risk profile of that Sub-Fund. The details of the risk management process include the information as set out in paragraphs 1.2 and section 33 of this Prospectus.

11. Derivatives General

11.1 A transaction in derivatives or a forward transaction must not be effected for the Sub-Fund unless the transaction is of a kind set out in section 12 and the transaction is covered, as set out in paragraph 11.6.

11.2 Where the Sub-Fund invests in derivatives, the exposure to the underlying assets must not exceed the limits set out in sections 16 and 18 except for index based derivatives provided that the index falls within COLL 5.2.33R (Relevant indices).

11.3 Where a transferable security or approved money-market instrument embeds a derivative, this must be taken into account for the purposes of complying with this section 11.

11.4 A transferable security or an approved money-market instrument will embed a derivative if it contains a component which fulfils the following criteria:

- a) by virtue of that component some or all of the cash flows that otherwise would be required by the transferable security or approved money-market instrument which functions as host contract can be modified according to a specified interest rate, financial instrument price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, and therefore vary in a way similar to a stand-alone derivative;
- b) its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract; and
- c) it has a significant impact on the risk profile and pricing of the transferable security or approved money-market instrument.

11.5 A transferable security or an approved money-market instrument does not embed a derivative where it contains a component which is contractually transferable independently of the transferable security or the approved money-market instrument. That component shall be deemed to be a separate instrument.

11.6 Where derivative instruments are used, the overall risk profile of the Sub-Fund may be increased. The ACD will ensure that the global exposure generated by using financial derivative instruments on the underlying assets of the Sub-Fund shall not exceed its total net value.

11.7 Accordingly, where derivative instruments are used, the ACD will employ a risk-management process (as detailed in section 33 of this Prospectus) which enables the ACD to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the Sub-Fund.

11.8 The ACD must calculate its global exposure on at least a daily basis.

11.9 The global exposure must be calculated by taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.

11.10 The ACD must calculate the global exposure of the Sub-Fund it manages either as:

- a) the incremental exposure and leverage generated through the use of derivatives and forward transactions including embedded derivatives, which may not

exceed 100 per cent. of the net value of the property of the Sub-Fund; or

- b) the market risk of the property of the Sub-Fund.

11.11 The ACD must calculate the global exposure of the Sub-Fund using the commitment approach or the value at risk approach.

11.12 The ACD must ensure that the method selected in paragraph 11.11 is appropriate, taking into account the investment strategy pursued by the Sub-Fund, the types and complexities of the derivatives and forward transactions used and the proportion of the property of the Sub-Fund comprising of derivatives and forward transactions.

11.13 Where the ACD employs techniques and instruments including repo contracts or stock lending transactions for the Sub-Fund in accordance with section 22 below in order to generate additional leverage or exposure to market risk, the ACD must take those transactions into consideration when calculating global exposure.

11.14 For the purposes of paragraph 11.11, value at risk means a measure of the maximum expected loss at a given confidence level over the specific time period.

11.15 Property which is subject to a stock lending transaction (as described in section 22) 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.

12. Permitted Transactions in Derivatives and Forwards

12.1 A transaction in a derivative must be:

- a) in an approved derivative; or
- b) be one which complies with COLL 5.2.23R.

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

- a) permitted transferable securities;
- b) permitted approved money-market instruments;
- c) permitted deposits;
- d) permitted derivative;
- e) collective investment scheme units permitted under section 2;
- f) financial indices which satisfy the criteria set out in section 15 below;
- g) interest rates;
- h) foreign exchange rates; and
- i) currencies,

and may not result in the delivery, including in the form of cash, of assets other than those

referred to in sections **Error! Reference source not found.** to 10.

12.3 The exposure to the underlyings in paragraph 12.2 must not exceed the limits relating to spread set out in sections 16 & 18.

12.4 A transaction in an approved derivative must be effected on or under the rules of an Eligible Derivatives Market.

12.5 A transaction in a derivative must not cause the Sub-Fund to diverge from its investment objectives as stated in the Instrument of Incorporation and the most recently published version of this Prospectus.

12.6 A transaction in a derivative must not be entered into if the intended effect is to create the potential for an uncovered sale of transferable securities, money-market instruments, units in collective investment schemes, or derivatives, provided that a sale is not to be considered as uncovered if the conditions in paragraph 14.2 are satisfied.

12.7 The Sub-Fund may not undertake transactions in derivatives on commodities.

12.8 Any forward transaction must be with an Eligible Institution or an Approved Bank (as defined by the FCA).

13. Transactions for the purchase of property

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

14. Requirement to cover sales

14.1 A transaction in a derivative must not be entered into if the intended effect is to create the potential for an uncovered sale of one or more, transferable securities, approved money-market instruments, units in collective investment schemes, or derivatives.

14.2 A sale is not to be considered as uncovered if:

a) the risks of the underlying financial instrument of a derivative can be appropriately represented by another financial instrument and the underlying financial instrument is highly liquid; or

b) the ACD or the Depositary has the right to settle the derivative in cash, and cover exists within the Scheme Property which falls within one of the following asset classes:

- (i) cash;
- (ii) liquid debt instruments (e.g. government bonds of first credit

- rating) with appropriate safeguards (in particular, haircuts); or
- (iii) other highly liquid assets having regard to their correlation with the underlying of the financial derivative instruments, subject to appropriate safeguards (e.g. haircuts where relevant).
- 14.3 The asset classes referred to in paragraph 14.2 may be considered as liquid where the instrument can be converted into cash in no more than seven business days at a price closely corresponding to the current valuation of the financial instrument on its own market.
- 15. Financial indices underlying derivatives**
- 15.1 Where the Sub-Fund holds an index-based derivative, the financial index must satisfy the following criteria:
- a) the index is sufficiently diversified;
- b) the index represents an adequate benchmark for the market to which it refers; and
- c) the index is published in an appropriate manner.
- 15.2 A financial index is sufficiently diversified if:
- a) it is composed in such a way that price movements or trading activities regarding one component do not unduly influence the performance of the whole index;
- b) where it is composed of assets in which the Sub-Fund is permitted to invest, its composition is at least diversified in accordance with the requirements with respect to spread and concentration set out in this section 15; and
- c) where it is composed of assets in which the Sub-Fund cannot invest, it is diversified in a way which is equivalent to the diversification achieved by the requirements with respect to spread and concentration set out in this section 15.
- 15.3 A financial index represents an adequate benchmark for the market to which it refers if:
- a) it measures the performance of a representative group of underlyings in a relevant and appropriate way;
- b) it is revised or rebalanced periodically to ensure that it continues to reflect the markets to which it refers, following criteria which are publicly available; and
- c) the underlyings are sufficiently liquid, allowing users to replicate it if necessary.
- 15.4 A financial index is published in an appropriate manner if:
- a) its publication process relies on sound procedures to collect prices, and calculate and subsequently publish the index value, including pricing procedures for components where a market price is not available; and
- b) material information on matters such as index calculation, rebalancing methodologies, index changes or any operational difficulties in providing timely or accurate information is provided on a wide and timely basis.
- 15.5 Where the composition of underlyings of a transaction in a derivative does not satisfy the requirements for a financial index, the underlyings for that transaction shall, where they satisfy the requirements with respect to other underlyings pursuant to paragraph 12.2, be regarded as a combination of those underlyings.
- 16. Spread Limits**
- 16.1 The restrictions in this paragraph on spread do not apply to government and public securities.
- 16.2 For the purposes of this section 16, companies included in the same group either for the purposes of consolidated accounts as defined in accordance with section 399 of the Companies Act 2006, Directive 2013/34/EU, or in the same group in accordance with international accounting standards, are regarded as a single body.
- 16.3 Not more than 20 per cent. in value of the property of the Sub-Fund is to consist of deposits with a single body.
- 16.4 Not more than 5 per cent. in value of the property of the Sub-Fund is to consist of transferable securities or approved money-market instruments issued by any single body subject to COLL 5.2.31 (Schemes replicating an index).
- 16.5 The limit of 5 per cent. in paragraph 16.4 is raised to 10 per cent. in respect of up to 40 per cent. in value of the property of the Sub-Fund. Covered bonds need not be taken into account for the purpose of applying the limit of 40 per cent.
- 16.6 The limit of 5 per cent. in paragraph 16.4 is raised to 25 per cent. in value of the property of the Sub-Fund in respect of covered bonds, provided that when the Sub-Fund invests more than 5 per cent. in covered bonds issued by a single body, the total value of covered bonds held must not exceed 80 per cent. in value of the property of the Sub-Fund.
- 16.7 In applying paragraphs 16.4 and 16.5, certificates representing certain securities are to be treated as equivalent to the underlying security.

- 16.8 The exposure to any one counterparty in an OTC derivative transaction must not exceed 5 per cent. in value of the property of the Sub-Fund. This limit is raised to 10 per cent. where the counterparty is an approved bank. Exposure to a counterparty in an OTC derivative transaction may be reduced by using collateral in accordance with COLL 5.
- 16.9 Not more than 20 per cent. in value of the property of the Sub-Fund is to consist of transferable securities and approved money market instruments issued by the same group (as referred to in paragraph 16.2).
- 16.10 Not more than 20 per cent. in value of the property of the Sub-Fund is to consist of the units in any one collective investment scheme.
- 16.11 In applying the limits in paragraphs 16.3, 16.4, 16.5, 16.7 and 16.8, and subject to paragraph 16.6, not more than 20 per cent. in value of the property of the Sub-Fund is to consist of any combination of two or more of the following:
- c) transferable securities (including covered bonds) or approved money-market instruments issued by;
 - d) deposits made with; or
 - e) exposures from OTC derivatives transactions made with,

a single body.
17. **OTC Transactions in Derivatives, Counterparty Risk and Issuer Concentration**
- 17.1 The Sub-Fund will not undertake any OTC transactions in derivatives.
18. **Spread: Government and Public Securities**
- 18.1 The following section applies in respect of a transferable security or an approved money-market instrument ("**such securities**") that is issued by:
- (a) the United Kingdom or an EEA State;
 - (b) a local authority of the United Kingdom or an EEA State;
 - (c) a non-EEA State; or
 - (d) a public international body to which the UK or one or more EEA States belong.
- 18.2 Where no more than 35 per cent. in value of the property of the Sub-Fund is invested in such securities issued by any one body, there is no limit on the amount which may be invested in such securities or in any one issue.
- 18.3 The Sub-Fund may invest more than 35 per cent. in value of its property in such securities issued by any one body provided that:
- f) the ACD has before any such investment is made consulted with the Depositary
- and as a result considers that the issuer of such securities is one which is appropriate in accordance with the investment objective of the Sub-Fund;
- g) no more than 30 per cent. in value of the property of the Sub-Fund consists of such securities of any one issue; and
 - h) the property of the Sub-Fund includes such securities issued by that or another issuer, of at least six different issues.
- 18.4 Notwithstanding paragraph 16.1 but subject to paragraphs 16.2 and 16.3, in applying the 20 per cent. limit with respect to a single body under paragraph 16.11, government and public securities issued by that body shall be taken into account.
- 18.5 The issuer or guarantors for the purpose of the above limits are as follows:
- i) the Government of the United Kingdom (including the Scottish Administration, the Executive Committee of the Northern Ireland Assembly and the National Assembly of Wales);
 - j) the Government of any EEA State including the Governments of Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden;
 - k) the Governments of Australia, Canada, Japan, New Zealand, and the United States of America; and
 - l) The World Bank, The Inter-American Development Bank, The European Investment Bank and The European Bank for Reconstruction and Development.
19. **Significant Influence**
- 19.1 The ACD must not acquire or cause to be acquired for the Scheme, transferable securities issued by a body corporate carrying rights to vote (whether or not on substantially all matters) at a general meeting of the body corporate if:
- a) immediately before the acquisition, the aggregate of any such securities held for that Scheme, taken with any such securities already held for other schemes of which the ACD is also the authorised fund manager, gives the ACD the power

- to significantly influence the conduct of business of that body corporate; or
- b) the acquisition gives the ACD that power.
- 19.2 The ACD is said to have the power under paragraph 19.1a) if it can exercise or control the exercise of 20 per cent. or more of the voting rights in that body corporate (disregarding any temporary suspension of voting rights) through transferable securities held for the Scheme and other schemes managed or operated by the ACD.
- 20. Concentration**
- 20.1 The Scheme may not:
- a) acquire transferable securities (other than debt securities) which do not carry a right to vote on any matter at a general meeting of the body corporate that issued them, and represent more than 10 per cent. of those securities issued by that body corporate;
- b) acquire more than 10 per cent. of the debt securities issued by any single body;
- c) acquire more than 25 per cent. of the units in a collective investment scheme. In the case of an umbrella collective investment scheme this limit is taken at the level of the umbrella; or
- d) acquire more than 10 per cent. of approved money-market instruments of any single body.
- 20.2 The Scheme need not comply with the limits in (b) to (d) above if, at the time of acquisition, the net amount in issue of the relevant investment cannot be calculated.
- 20.3 For the avoidance of doubt, the requirements of this section shall apply to the property of the Scheme generally and not the property of the Sub-Fund in particular.
- 21. Borrowing**
- 21.1 Subject to any restrictions in the Instrument of Incorporation, the Company may in accordance with this section 21, borrow money for the use of the Sub-Fund on terms that the borrowing is to be repayable out of the Scheme Property.
- 21.2 The Company may borrow only from an Eligible Institution or an Approved Bank (both as defined by the FCA).
- 21.3 The ACD must ensure that any borrowing is on a temporary basis and that the borrowings are not persistent. For these purposes the ACD must have regard in particular to the duration of any period of borrowing and the number of occasions on which borrowing is resorted to in any period.
- 21.4 In addition, the ACD must ensure that no period of borrowing exceeds three months, whether in respect of any specific sum or at all, without the prior consent of the Depositary.
- 21.5 The Depositary's consent may be given only on such conditions as appear to the Depositary appropriate to ensure that the borrowing does not cease to be on a temporary basis only.
- 21.6 The ACD must ensure that the Sub-Fund's borrowing does not, on any Business Day, exceed 10 per cent. of the value of the Scheme Property of the Sub-Fund. "Borrowing" includes, as well as borrowing in a conventional manner, any other arrangement (including a combination of derivatives) designed to achieve a temporary injection of money into the property in the expectation that the sum will be repaid.
- 21.7 None of the money in the Scheme Property may be lent and, for the purposes of this prohibition, money is lent by the Sub-Fund if it is paid to a person (the "payee") on the basis that it should be repaid, whether or not by a payee. Acquiring a debenture is not lending; nor is the placing of money on deposit or in a current account.
- 21.8 The Scheme Property other than money must not be lent by way of deposit or otherwise except for the purposes of stick lending as described below.
- 21.9 The Scheme Property must not be mortgaged. Nothing in these restrictions prevent the Depositary at the request of the ACD, from lending, depositing, pledging or charging property for margin requirements where transactions in derivatives or forward transactions are used for the account of the Sub-Fund in accordance with any other of the rules in COLL 5.
- 21.10 The Sub-Fund may not grant credit facilities nor act as guarantor on behalf of third parties, provided that, for the purpose of this restriction: (i) the acquisition of transferable securities, approved money-market instruments or other financial investments referred to above, in fully or partly paid form; and (ii) the permitted lending of portfolio securities shall be deemed not to constitute the making of a loan.
- 22. Stock lending**
- 22.1 The ACD does not currently intend to enter into any stock lending transactions or repo contracts with respect to the Sub-Fund.
- 23. General power to accept or underwrite placings**
- 23.1 Any power in the COLL Sourcebook to invest in transferable securities may, subject to compliance with any restrictions in the Instrument of Incorporation, be used for the purpose of entering into any agreement or understanding: which is an underwriting or sub-underwriting agreement, or which contemplates that securities will or may be issued or

subscribed for or acquired for the account of the Sub-Fund.

23.2 This ability does not apply to an option, or a purchase of a transferable security which confers a right to subscribe for or acquire a transferable security, or to convert one transferable security into another.

23.3 The exposure of the Sub-Fund to agreements and understandings as set out above, on any Business Day must be covered under paragraph 11.6 and be such that, if all possible obligations arising under them had immediately to be met in full, there would be no breach of any of the investment limits set out elsewhere in COLL 5.

24. **Guarantees and Indemnities**

24.1 The Company must not provide any guarantee or indemnity in respect of the obligation of any person.

24.2 None of the Scheme Property may be used to discharge any obligation arising under a guarantee or indemnity with respect to the obligation of any person.

24.3 These requirements do not apply to any:

- a) indemnity falling within regulation 62(3) of the OEIC Regulations (*Exemptions from liability to be void*); or
- b) indemnity or guarantee given for margin requirements where the derivatives or forward transactions are being used in accordance with the requirements set down in this Appendix 3; or
- c) indemnity given to the Depositary against any liability incurred in consequence of the performance of the Safekeeping Function by it or by anyone retained by the Depositary to assist in performing the Safekeeping Function; and
- d) indemnity given to a person winding up a scheme if the indemnity is given for the purposes of arrangements by which the whole or part of the property of that scheme becomes the property of the Sub-Fund and the holders of units in that scheme become the Shareholders in the Company.

25. **Commodities and Real Estate**

25.1 The Sub-Fund's assets may not include precious metals or certificates representing them, commodities, commodities contracts, or certificates representing commodities.

25.2 The Sub-Fund may not purchase or sell real estate or any option, right or interest therein, provided that the Sub-Fund may invest in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein.

Additional provisions

The Sub-Fund will not undertake any OTC transactions in derivatives, repo contracts or stock lending arrangements.

The following additional provisions, sections 26 – 28 inclusive, reflect the requirements of the ESMA Guidelines ESMA/2012/832EN and are subject to changes thereto as well as any changes made through their incorporation into the COLL Sourcebook:

26. **Cash Collateral**

26.1 Where cash collateral is obtained in respect of efficient portfolio management techniques, it may only be:

- a) placed on deposit with an approved bank;
- b) invested in high quality government bonds;
- c) used for the purpose of repo contracts provided the transactions are with credit institutions subject to prudential supervision and the Sub-Fund can recall at any time the full amount of the cash on an accrued basis; and
- d) invested in short-term money market funds as defined in ESMA's "guidelines on a common definition of European money market funds".

26.2 Re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral such that it should be sufficiently diversified in terms of country, markets and issuers.

27. **Risks involved in efficient portfolio management techniques**

27.1 There are certain risks involved in efficient portfolio management activities and the management of collateral in relation to such activities (see further below). Please refer to section 24 of this Prospectus entitled "Risk Considerations" and, in particular but without limitation, the risk factors relating to derivative risks and counterparty risk. These risks may expose investors to an increased risk of loss.

28. **Haircut policy**

28.1 The ACD shall implement a haircut policy in respect of each class of assets received as collateral. A haircut is a discount applied to the value of a collateral asset to account for the fact that its valuation, or liquidity profile, may deteriorate over time. The haircut policy takes account of the characteristics of the relevant asset class, including the credit standing of the issuer of the collateral, the price volatility of the collateral and the results of any stress tests which may be performed in accordance with the

collateral management policy. Subject to the framework agreements in place with the relevant counterparty, which may or may not include minimum transfer amounts, it is the intention of the ACD that any collateral received shall have a value, adjusted in light of the haircut policy, which equals or exceeds the relevant counterparty exposure where appropriate.

29. **Movable and immovable property**

29.1 The Company does not intend for the Sub-Fund to have an interest in either immovable property or tangible movable property.

APPENDIX 4

VALUATION AND PRICING

1. DETERMINATION OF NET ASSET VALUE

The value of the Scheme Property shall be the value of the assets less the value of the liabilities determined in accordance with the following provisions:

- (i) All the Scheme Property or that of the Sub-Fund, as applicable, (including receivables) is to be included, subject to the following provisions.
- (ii) Scheme Property which is not cash (or other assets dealt with in paragraphs (vii) to (viii) below) shall be valued as follows and the prices used shall (subject as follows) be the most recent prices which it is practicable to obtain.
- (iii) Equities listed on any recognised stock exchange shall be valued by reference to the single or the average of the quoted buying and selling price of the relevant equity.
- (iv) Debt related securities (including government stocks) shall be valued by reference to the single or the average of the quoted buying and selling price of the relevant security.
- (v) Units or shares in a collective investment scheme shall be valued at their last determined and available net asset value;
 - o if a single price for buying and redeeming units or shares is quoted, at that price; or
 - o if separate buying and redemption prices are quoted, at the average of the two prices provided the buying price has been reduced by any initial charge included therein and the redemption price has been increased by any exit or redemption charge attributable thereto; or
 - o if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no recent price exists, or, if the most recent price available does not reflect the ACD's best estimate of the net asset value of the units or shares, at a value which, in the opinion of the ACD, is fair and reasonable.

(vi) Exchange-traded derivative contracts shall be valued:

- o if a single price for buying and selling the exchange-traded derivative contract is quoted, at that price; or
- o if separate buying and selling prices are quoted, at the average of the two prices.

(vii) OTC derivative contracts shall be valued in accordance with the method of valuation as shall have been agreed between the ACD and the Depositary.

(viii) Any other investment shall be valued:

- o if a single price for buying and selling the security is quoted, at that price; or
- o if separate buying and selling prices are quoted, at the average of the two prices; or
- o if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no recent price exists, or, if the most recent price available does not reflect the ACD's best estimate of the value of the security, at a value which, in the opinion of the ACD, is fair and reasonable;

(ix) Scheme Property other than that described in paragraphs (ii), (iii), (vi), (vii), (viii), (vii) and (viii) above shall be valued at a value which, in the opinion of the ACD, represents is fair and reasonable.

(x) Cash and amounts held in current, deposit and margin accounts and in other time related deposits shall be valued at their nominal values.

(xi) In determining the value of the Scheme Property or that of the Sub-Fund, as applicable, all instructions given to issue or cancel Shares shall be assumed (unless the contrary is shown) to have been carried out (and any cash payment made or received) and all consequential action required by the COLL Sourcebook, the OEIC Regulations or the Instrument of Incorporation shall be assumed (unless the contrary has been shown) to have been taken.

(xii) Subject to paragraphs (xiii) and (xiv) below, agreements for the

- unconditional sale or purchase of Scheme Property which are in existence but uncompleted shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and if, in the opinion of the ACD, their omission will not materially affect the final net asset amount.
- (xiii) Futures or contracts for differences which are not yet due to be performed and unexpired and unexercised written or purchased options shall not be included under paragraph (xii).
 - (xiv) All agreements are to be included under paragraph (xii) which are, or ought reasonably to have been, known to the person valuing the property assuming that all other persons in the ACD's employment take all reasonable steps to inform it immediately of the making of any agreement.
 - (xv) There shall be deducted an estimated amount for anticipated tax liabilities (on unrealised capital gains where the liabilities have accrued and are payable out of the Scheme Property; on realised capital gains in respect of previously completed and current accounting periods; and on income where liabilities have accrued) including (as applicable and without limitation) capital gains tax, income tax, corporation tax, value added tax, stamp duty, stamp duty reserve tax and any other UK or foreign taxes or duties.
 - (xvi) There shall be deducted an estimated amount for any liabilities of the Company or the Sub-Fund, as applicable, payable out of the Scheme Property and any tax thereon treating periodic items as accruing from day-to-day.
 - (xvii) There shall be deducted the principal amount of any outstanding borrowings of the Company or the Sub-Fund, as applicable, whenever payable and any accrued but unpaid interest on borrowings.
 - (xviii) There shall be added an estimated amount for accrued claims for tax of whatever nature which may be recoverable by the Company or the Sub-Fund, as applicable.
 - (xix) There shall be added any other credits or amounts due to be paid into the Scheme Property.
 - (xx) There shall be added a sum representing any interest or any income accrued due or deemed to have accrued but not received and any stamp duty reserve tax provision anticipated to be received.
 - (xxi) Currencies or values in currencies other than the base currency of the Sub-Fund shall be converted at the relevant Valuation Point at a rate of exchange that is not likely to result in any material prejudice to the interests of Shareholders or potential Shareholders.
2. **DETERMINATION OF SHARE PRICE**
- (i) There is a single price for Shares in the Sub-Fund.
 - (ii) The actual cost of purchasing or selling the Sub-Fund's investments may be higher or lower than the mid-market value used in calculating the Share price. The Sub-Fund may suffer a reduction (dilution) in the value of the Scheme Property resulting from the costs incurred in dealing in the underlying investments and any spread between the buying and selling prices of those investments but it is not possible to accurately predict whether any reduction diluting the Sub-Fund will occur at any time.
 - (iii) In certain circumstances, (for example where there are large Share deals or large volumes of Share deals) the price will be adjusted up or down, depending on the flow of Share deals, to take account of any adverse effect in value (dilution). The adjusted price will be shown on the contract note. Further details on the operation of dilution adjustments are set out in section 16.
 - (iv) The ACD will use reasonable endeavours to match buy and sell trades to limit the effect of the dilution adjustment.

APPENDIX 5

FEES PAYABLE TO THE ACD

Equitable Resilience Fund

For the Sub-Fund, the ACD will be paid a management fee and a performance fee as set out below.

All fees will be calculated and accrue at each Valuation Point and be paid to the ACD on a monthly basis in arrears.

For the purposes of this Appendix 5, capitalised terms shall have the same meaning as elsewhere in this document unless specifically defined in this Appendix 5.

The ACD may waive any or all of its fees in respect of the Sub-Fund at its discretion from time to time. The ACD bears all expenses incurred by it and its affiliates and advisers related to services performed by it for the Sub-Fund. Brokerage commissions, transaction charges and other operating costs (including the charges and expenses described in more detail in section 27) attributable to the Sub-Fund are payable by the Sub-Fund.

The Equitable Fee Model Summary

In respect of each class of Shares, the ACD will be paid a combination of management and performance fees, provided the conditions set out below are fulfilled. The annual management fee shall be capped at the lower of 0.7 per cent. per annum of the net asset value of the Sub-Fund attributable to the relevant Share class (the "**Net Asset Value**") or £2,450,000 for each Share class. The performance fee will be 10 per cent. of the net returns generated on investments ("**Net Returns**"), above a high water mark (as detailed below), which are attributable to the Net Asset Value in excess of £350 million (or Foreign Currency Equivalent).

Management Fees

In respect of each class of Shares, the ACD will be paid a management fee at a rate of 0.7 per cent. per annum of the Net Asset Value up to £350 million which will accrue at each Valuation Point and will be paid monthly in arrears. No management fee will accrue or be paid in respect of any Net Asset Value in excess of £350 million (or the Foreign Currency Equivalent if the relevant class of Shares is denominated in a currency other than pound Sterling) on any Calculation Date. The effect of this arrangement means that the maximum management fee that can be paid in respect of each class of Shares in any year is £2,450,000 (or the Foreign Currency Equivalent).

Performance Fees

If the Net Asset Value of a class of Shares is above £350 million (or the Foreign Currency Equivalent if the relevant class of Shares is denominated in a currency other than pound Sterling) at a Valuation Point ("**Initial Valuation Point**"), the ACD may, in addition to the management fee as described above, be entitled to a performance fee at the subsequent Valuation Point ("**Performance Calculation Date**").

The performance fee will be calculated at a rate of 10 per cent. of such Net Returns on the Performance Calculation Date as are attributable to the Net Asset Value in excess of £350 million on the Initial Valuation Point (ignoring the effect of any further issues, subscriptions and redemptions of Shares in that class).

The total Net Returns on the Net Asset Value as at the Initial Valuation Point ("**Total Net Returns**") will be determined by reference to the increase in the mid-market Net Asset Value per Share of the relevant class ("**NAV per Share**") between the Initial Valuation Point and the Performance Calculation Date (which, for the purposes of calculating of the performance fee, is determined after deducting all applicable charges including, for the avoidance of doubt, any accrual for the management fee payable, but after adding back any distributions made during the intermittent period and excluding the performance fee) in excess of the High Watermark. The "High Watermark" will be the highest NAV per Share achieved at any preceding Valuation Point.

The Net Returns on which the performance fee of 10 per cent. will be payable will be in the same proportion to the Total Net Returns on the Performance Calculation Date as the proportion between the Net Asset Value in excess of £350 million on the Initial Valuation Point and the total Net Asset Value on the Initial Valuation Point.

The performance fee will be calculated and accrue to the ACD on each Performance Calculation Date and paid monthly in arrears. The calculation of the performance fee must be verified by the Depositary. All Shares of the relevant class will be charged the same weighted average of both, the management fee and the performance fee.

The performance fee will be based on the net realised and unrealised gains and losses of the Sub-Fund. As a result, a performance fee may be paid on unrealised gains which may never be realised in the future. Once a performance fee accrues to the ACD, it is charged to the Sub-Fund and it is not repayable should the Sub-Fund subsequently underperform. However, no performance fee will be payable on any subsequent Net Returns on the Net Asset Value until the NAV per Share is in excess of the corresponding High Watermark.

In the case of liquidation or merger of the Sub-Fund or class of Shares to which a performance fee is applicable, the performance fee will be calculated and paid on the last Valuation Point before the liquidation or merger.

Definitions

For the purposes of this Appendix 5:

"Foreign Currency Equivalent" shall mean the relevant amount in pound sterling converted into any other currency, as determined by reference to the relevant spot exchange rate on the relevant date.

Examples of Performance Fee

Example 1:

Initial Valuation Point:

Net Asset Value: £400 million with respect to Class A

Total Number of Shares: 4 million

High Watermark: £100 per Share of Class A

Performance Calculation Date:

Price per Share: £101

Total Net Returns: £1 per Share or £4 million (being £1 X Number of Shares)

Net Returns attributable to Net Asset Value above £350 million: £4m X 50m/400m = £500,000

Performance Fee Rate: 10 per cent.

Performance Fee: £500,000 X 10/100 = £50,000

New High Watermark: £101 per Share

Example 2:

Initial Valuation Point:

Net Asset Value: £625 million with respect to Class A

Total Number of Shares: 5 million

High Watermark: £125 per Share of Class A

Performance Calculation Date:

Price per Share: £123

Total Net Returns: Loss of £2 per Share or £10 million

Performance Fee: £0

No performance fee payable on Net Returns attributable to Net Asset Value above £350 million generated on any subsequent Performance Calculation Date until the High Watermark of £125 per Share is exceeded.

APPENDIX 6

INFORMATION ON OTHER JURISDICTIONS

Norway

Copies of this Prospectus, the prospectus of the Master Fund, the key investor information documents for the Sub-Fund and the Master Fund (along with a Norwegian translation), the most recent annual and half-yearly reports of the Company and the Master Scheme may be obtained free of charge from www.equitle.com. Details of any distribution declared, calling of meeting of Shareholders or termination of a Sub-Fund or the Company or the revocation of their authorisation will be communicated to investors by notice at their registered postal address. The subscription and redemption prices shall be available by calling 020 3397 7701 or by sending an email to info@equitle.com. Please note that the prices are for information only and these prices may not be the actual prices obtained when the Shares are dealt.

Switzerland

Qualified Investors

Shares may only be distributed in Switzerland to qualified investors within the meaning of Article 10 paragraph 3, 3^{bis} and 3^{ter} of the Swiss Collective Investment Schemes Act ("**CISA**").

This Prospectus does not constitute an issuance prospectus pursuant to Articles 652a or 1156 of the Swiss Code of Obligations and may not comply with the information standards required thereunder. The interests will not be listed on the SIX Swiss Exchange, and consequently, the information presented in this Prospectus does not necessarily comply with the information standards set out in the relevant listing rules. The documentation of the Company has not been and will not be approved, and may not be able to be approved, by the Swiss Financial Market Supervisory Authority FINMA under CISA. Therefore, investors do not benefit from protection under the CISA or supervision by the FINMA. This Prospectus does not constitute investment advice. It may only be used by those persons to whom it has been handed out in connection with the Shares and may neither be copied or directly/ indirectly distributed or made available to other persons.

Representative

The representative in Switzerland is ACOLIN Fund Services AG (office address: *Leutschenbachstrasse 50 CH-8050 Zurich*, telephone: +41 44 396 96 96, facsimile: +41 44 396 96 99).

Paying agent

The paying agent in Switzerland is Aquila & Co. AG (office address: *Bahnhofstrasse 28a, CH – 8001 Zurich*, telephone: +41 58 680 60 22, facsimile: +41 58 680 60 01).

Location where the relevant documents may be obtained

The relevant documents as defined in Article 13a CISO including copies of the Prospectus, key investor information documents and the Instrument of Incorporation of the Company as well as the annual and semi-annual reports may be obtained free of charge from the representative as well as from www.equitle.com.

Payment of retrocessions and rebates

Equitle Investments Ltd (the "**ACD**") and its agents may pay retrocessions as remuneration for distribution activity in respect of the Shares in or from Switzerland. This remuneration may be deemed payment for any subscription for, or holdings, of Shares by any qualified investors introduced by them.

Retrocessions are not deemed to be rebates even if they are ultimately passed on, in full or in part, to the investors.

The recipients of the retrocessions must ensure transparent disclosure and inform investors, unsolicited and free of charge, about the amount of remuneration they may receive for distribution.

On request, the recipients of retrocessions must disclose the amounts they actually receive for distributing the shares of the investor concerned.

In respect of distribution in or from Switzerland, the Company, the Fund, the ACD and its agents do not pay any rebates to reduce the fees or costs incurred by the investor and charged to the Fund.

Place of performance and jurisdiction

In respect of the Shares distributed in and from Switzerland, the place of performance and jurisdiction is the registered office of the Representative.

State of Origin

The state of origin of the Company is the United Kingdom.

No distribution of the Master Scheme in Switzerland

Units in the Master Scheme may not be distributed to investors domiciled or with a registered address in Switzerland. No representative or paying agent has been appointed for the Master Scheme in Switzerland.

Hong Kong

Warning: The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this document you should obtain independent professional advice.

SCHEDULE 1

ELIGIBLE SECURITIES MARKETS AND ELIGIBLE DERIVATIVES MARKET

The following markets shall be eligible securities markets for the Sub-Fund.

1. Europe

Denmark	OMX Nordic Exchange Copenhagen
Finland	OMX Nordic Exchange OY
France	Euronext, Paris
Germany	Berlin-Bremen Stock Exchange (Börse Berlin-Bremen) Hamburg and Hannover Exchanges (Börsen Hamburg und Hannover) Munich Exchange (Börse München) Stuttgart Exchange (Börse Stuttgart) Deutsche Borse, Frankfurt
Greece	Athens Stock Exchange
Italy	Italian Stock Exchange (Borsa Italiana)
Norway	Oslo Bors
Portugal	Euronext, Lisbon
Spain	Barcelona Stock Exchange (Bolsa de Barcelona) Bilbao Stock Exchange (Bolsa de Bilbao) Madrid Stock Exchange (Bolsa de Madrid) Valencia Stock Exchange (Bolsa de Valencia)
Sweden	OMX Nordic Exchange Stockholm AB
Switzerland	SIX Swiss Exchange
The Netherlands	Euronext, Amsterdam
UK	London Stock Exchange AIM

2. Americas

Canada	Toronto Stock Exchange
USA	NYSE MKT LLC New York Stock Exchange NYSE Arca NASDAQ OMX PHLX (Philadelphia) National Stock Exchange NASDAQ OMX BX (Boston) Chicago Stock Exchange

3. Far East and Australasia

Australia	Australian Securities Exchange
New Zealand	New Zealand Stock Market (NZSX)

4. Asia

Hong Kong	Hong Kong Stock Exchange
Japan	Tokyo Stock Exchange
South Korea	Korea Exchange
Taiwan	Taiwan Stock Exchange

The following markets shall be eligible derivatives markets for the Sub-Fund.

Athens Derivatives Exchange
Australian Securities Exchange
Canadian Derivatives Clearing Corporation
Chicago Board of Trade
Chicago Board Options Exchange
Chicago Mercantile Exchange
EDX London
EUREX
Eurex Exchange
Euronext Amsterdam
Euronext LIFFE
Euronext Lisbon
Euronext Paris
Financiele Termijnmarkt Amsterdam (Financial Futures Amsterdam)
Finnish Options Market
ICAP Securities & Derivatives Exchange (ISDX)
ICE Clear US
ICE Futures Europe
ICE Futures US
Imarex (International Maritime Exchange)
Italian Stock Exchange (Borsa Italiana)
MEFF
Montreal Exchange (Bourse de Montreal)
Nasdaq OMX Nordic
Nasdaq OMX Helsinki
Nasdaq OMX Stockholm AB
Nasdaq OMX Copenhagen
Nasdaq OMX PHLX

New York Mercantile Exchange (NYMEX)
Nordic Growth Market
North American Derivatives Exchange (Nadex)
NZX New Zealand Exchange
Oslo Børs (OSE)
SIX Structured Products
SIX Swiss Exchange
Swiss Market Index (SMI)
Toronto Stock Exchange

SCHEDULE 2

REMUNERATION POLICY

The ACD has a remuneration policy for its UCITS remuneration code staff. The policy is designed to promote sound and effective risk management and not to encourage risk-taking which is inconsistent with the risk profiles, rules or memorandum and articles of association of the Company. The policy does not impair the ACD's compliance with its duty to act in the best interests of the Shareholders, and includes measures to avoid any conflicts of interest with the Company including its sub-funds. The FCA's rules in relation to remuneration are based around a set of principles, as summarised below. The ACD must apply these principles in a way which is appropriate given its size, internal organisation and the nature, scale and complexity of its business.

The Policy is reviewed and updated at least annually and as required to ensure compliance with all regulatory obligations.

Introduction

Equitile Remuneration Policy aims to serve both Equitile and its investors' best interests by:

- Promoting good corporate governance
- Discouraging excessive risk taking (outside of those defined in the prospectus)
- Retaining and recruiting high quality staff
- Delivering and demonstrating alignment of interests between Equitile and its investors

The aim is to manage employees' total compensation appropriately by applying the right mix of the different remuneration types. Any remuneration is paid competitively based on market-based remuneration according to employees' skills, experience, performance and responsibilities.

Equitile remuneration policy is designed to promote sound and effective risk management and does not encourage risk taking that exceeds the firm's conservative risk appetite. This is done by ensuring that remuneration is in line with performance and in adherence to applicable FCA investment rules.

Remuneration Review Process

The Board is responsible for ensuring that remuneration decisions properly reflect the importance of delivering the standards and requirements set in respect of Equitile risk management process. The overall pool available for incentive remuneration, which includes the control functions, is correlated to business performance.

Identified Staff

Equitile has identified the members of staff who fall within the definition of UCITS Remuneration Code staff as :

- senior management
- risk takers
- control functions
- employees whose professional activities have a material impact on the Company's risk profile; and
- staff of the entity to which portfolio and/or risk management activities have been delegated by the Company, whose professional activities have a material impact on the risk profile of the Company.

Conflicts of interest

The Policy is designed to avoid conflicts of interest between the Equitile and the interests of investors.

The Policy details the decision-making process in relation to setting bonuses. Factors taken into account in setting remuneration levels include full-year financial results, achievement of strategic and operating results and other considerations such as adherence to risk management policy and compliance with internal and external rules, management and leadership capabilities.

Reward Mechanism

Where agreed by the board variable remuneration will have a minimum of 40% withheld for a period of no less than 3 years. Payment of the withheld component of the remuneration will be at the discretion of the Equitile senior

management. In addition, an Individual may be granted a lower or no variable remuneration should they be the subject of possible disciplinary actions.

Disclosure to Investors

Details of Equitile's remuneration policy will be available at www.equitile.com and a paper copy will be made available free of charge upon request.

SCHEDULE 3**DELEGATES**

Country	Sub-custodian/Agent
Australia	HSBC Bank Australia Ltd
Belgium	BNP Paribas Securities Services (Belgium)
Belgium	Euroclear Bank S.A./N.V.
Canada	Royal Bank of Canada
Denmark	Skandinaviska Enskilda Banken AB (publ), Copenhagen Branch
Finland	Skandinaviska Enskilda Banken AB (publ.), Helsinki Branch
France	CACEIS Bank
France	BNP Paribas Securities Services (France)
Germany	HSBC Trinkaus & Burkhardt
Greece	HSBC Bank Plc
Hong Kong	The Hongkong and Shanghai Banking Corporation Ltd (HK)
Ireland	HSBC Bank Plc
Italy	BNP Paribas Securities Services (Italy)
Japan	The Hongkong and Shanghai Banking Corporation Ltd (Japan)
South Korea	The Hongkong and Shanghai Banking Corporation Ltd (South Korea)
Netherlands	BNP Paribas Securities Services (Netherlands)
New Zealand	The Hongkong and Shanghai Banking Corporation Ltd (New Zealand)
Norway	Skandinaviska Enskilda Banken AB (publ) Oslo Branch
Portugal	BNP Paribas Securities Services (Portugal)
Spain	BNP Paribas Securities Services (Spain)

Sweden	Skandinaviska Enskilda Banken AB (publ.)
Switzerland	Credit Suisse AG
Switzerland	UBS AG
United Kingdom	Deutsche Bank AG (London Branch)
United Kingdom	JPMorgan Chase Bank NA
United Kingdom	HSBC Bank Plc (UK)
United Kingdom	State Street Bank & Trust Co (UK)
United Kingdom	UBS AG, London branch
United States	HBSC Bank (USA) NA
United States	Brown Brothers Harriman & Co
United States	Citibank, N.A. (USA)
Germany	Clearstream Banking Frankfurt
Switzerland	SIX SIS AG ZUERICH
Taiwan	HSBC Bank (Taiwan) Ltd

Brexit – implications for the Fund and its shareholders after 31 December 2020

The U.K. left the EU on 31 January 2020 ('Brexit date'). Investors in the Funds should note the following:

1. The Fund continues to be an authorised investment fund that may be marketed to all investor types (including retail investors) in the U.K. While the Fund is no longer a "UCITS" as defined by the EU law it is now categorised by the FCA as a "U.K. UCITS". The Fund and its sub-fund(s) shall, in general terms and subject to the terms of this Prospectus, continue to be managed in the as per the terms of the Prospectus and as per the applicable laws and regulations.

2. The terms of this Prospectus shall be read so as to: (a) reflect the status of the Fund as a "U.K. UCITS" under U.K. law and under applicable FCA rules; and (b) ensure that the operation of the Fund and its sub-fund(s) continues to be the same as before Brexit date.

3. All references in this Prospectus to EU legislation and guidance shall, now be read as follows:

(a) a reference to an EU Regulation shall be construed as a reference to that EU Regulation as it forms part of the domestic law of the United Kingdom pursuant to section 3 of the Withdrawal Act, and as amended from time to time;

(b) a reference to an EU Directive shall be construed as a reference to the provision or provisions of U.K. law which implemented that EU Directive in U.K. law immediately before Brexit date, and as amended from time to time; and

(c) a reference to guidance issued by the EU (including any guidance issued by ESMA) shall be construed as a reference to that guidance as it stood immediately before the Brexit date, and read in light of the U.K.'s withdrawal from the EU and any amendments made to associated legislation or rules. In each case, this will be subject to any grandfathering provisions.

4. The Fund, from the Brexit date, has ceased to be a "UCITS" for the purposes of the UCITS Directive. Shareholders resident in the U.K. or outside the EEA will not be affected adversely by this. Any existing Shareholders resident in the EEA, may wish to consider or take appropriate external legal or tax advice to determine how this may impact their investment in the Fund.