

IMPORTANT: IF YOU ARE IN ANY DOUBT AS TO THE CONTENTS OF THIS PROSPECTUS YOU SHOULD CONSULT YOUR FINANCIAL ADVISER.



COURTIERS

PROSPECTUS
OF
COURTIERS INVESTMENT FUNDS ICVC

Product Reference Number: 462325

Sub Funds:

Courtiers Total Return Cautious Risk Fund
Product Reference Number: 633189

Courtiers Total Return Balanced Risk Fund
Product Reference Number: 633190

Courtiers Total Return Growth Fund
Product Reference Number: 633191

(An open-ended investment company with variable capital incorporated with limited liability and registered in England and Wales under registered number IC000515)

This document constitutes the Prospectus for the Courtiers Investment Funds ICVC which has been prepared in accordance with the Rules of the Financial Conduct Authority as contained in The Collective Investment Schemes Sourcebook (COLL) and Investment Funds Sourcebook (FUND).

This Prospectus is dated 16 June 2023.

Version 16

Prospectus of Courtiers Investment Funds ICVC

The Company is an open-ended investment company with variable capital incorporated with limited liability and registered in England and Wales under number IC000515.

Copies of this Prospectus have been sent to the Registrar of Companies, the Financial Conduct Authority and the Depositary.

Courtiers Asset Management Limited, the Authorised Corporate Director (ACD) of the Company, is responsible for the information contained in this Prospectus. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case), the information in this document does not contain any untrue or misleading statement or omit any matters required by The Collective Investment Schemes Sourcebook and Investment Funds Sourcebook to be included in it. Courtiers Asset Management Limited accepts responsibility accordingly.

No person has been authorised by the Company to give any information or make any representations in connection with the offering of Shares other than those contained in this Prospectus, and, if given or made, such information or representations must not be relied 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 have not changed since the date hereof.

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

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

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

The provisions of the Company's Instrument of Incorporation are binding on each of its Shareholders (who are taken to have notice of them).

This Prospectus has been approved for the purpose of section 21 of the Financial Services and Markets Act 2000 by Courtiers Asset Management Limited.

This Prospectus is based on information, law and practice at the date hereof. The Company cannot be bound by an out of date Prospectus when it has issued a new Prospectus, and investors should check with Courtiers Asset Management Limited that this is the most recently published Prospectus. Investors should also refer to the relevant NURS KII-Document before investing or re-investing in a Fund. The most up to date version of the relevant NURS KII-Document is available from Courtiers Asset Management Limited.

The Depositary is not a person responsible for the information contained in this Prospectus and accordingly does not accept any responsibility therefore under the Regulations or otherwise.

Important: If you are in any doubt about the contents of this Prospectus you should consult your financial adviser.

CONTENTS

| | | |
|-----|---|----|
| 1. | THE COMPANY | 8 |
| 2. | THE FUNDS, THEIR INVESTMENT OBJECTIVES & POLICIES & RISK FACTORS..... | 9 |
| 3. | CHARACTERISTICS OF SHARES | 21 |
| 4. | SHAREHOLDER MEETINGS AND VOTING RIGHTS..... | 23 |
| 5. | CLASS RIGHTS | 25 |
| 6. | VALUATION | 26 |
| 7. | CHARGES..... | 28 |
| 8. | DEPOSITARY'S REMUNERATION AND EXPENSES | 31 |
| 9. | OTHER PAYMENTS OUT OF THE SCHEME PROPERTY OF THE COMPANY | 33 |
| 10. | BUYING AND SELLING OF SHARES..... | 35 |
| 11. | SWITCHING BETWEEN FUNDS OR CLASSES | 40 |
| 12. | DISTRIBUTION | 42 |
| 13. | HOW DISTRIBUTABLE INCOME IS DETERMINED | 43 |
| 14. | GENERAL INFORMATION..... | 41 |
| 15. | PERIODIC DISCLOSURE | 42 |
| 16. | TAXATION | 46 |
| 17. | WINDING-UP AND TERMINATION..... | 52 |
| 18. | ADDITIONAL INFORMATION | 54 |
| | APPENDIX 1..... | 59 |
| | APPENDIX 2..... | 75 |
| | APPENDIX 3..... | 78 |
| | APPENDIX 4..... | 84 |
| | APPENDIX 5..... | 85 |
| | APPENDIX 6..... | 86 |
| | APPENDIX 7..... | 87 |

DIRECTORY

The Company

Courtiers Investment Funds ICVC

Registered Office

18 Hart Street
Henley on Thames
Oxfordshire
RG9 2AU

Depository

Citibank UK Limited

Principal Place of Business

Citigroup Centre
Canada Square
Canary Wharf
London
E14 5LB

Fund Accountant and Administrator

JTC Fund Solutions (Guernsey) Limited

PO Box 156

Ground Floor, Dorey Court
Admiral Park
St Peter Port
Guernsey
GY1 2HT

Registrar

Courtiers Investment Services Limited

Registered Office

18 Hart Street
Henley on Thames
Oxfordshire
RG9 2AU

Authorised Corporate Director (ACD)

Courtiers Asset Management Limited

Registered Office

18 Hart Street
Henley on Thames
Oxfordshire
RG9 2AU

Auditors

Ernst & Young LLP

Registered Office

Ten George Street
Edinburgh
EH2 2DZ

Legal Advisor

Simmons & Simmons LLP

Registered Office

Citypoint
One Ropemaker Street
London
EC2Y 9SS

DEFINITIONS

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| “Accumulation Shares” | Shares in respect of which income is accumulated and added to the capital property of a Fund. |
| “Act” | the Financial Services and Markets Act 2000. |
| “ACD” | Courtiers Asset Management Limited which acts as the Authorised Corporate Director of the Company. |
| “AIFMD” | Directive 2001/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers; |
| “AIFMD Rules” | the provisions of: (i) Commission Delegated Regulation (EU) No 231/2013 supplementing AIFMD with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision; and (ii) the provisions of the FCA Rules (such as FUND) and any other applicable regulations implementing AIFMD, in each case as may be altered, amended, added to or cancelled from time to time; |
| “Approved Bank” | <p>in relation to a bank account opened by the Company:</p> <ul style="list-style-type: none">(a) if the account is opened at a branch in the United Kingdom;<ul style="list-style-type: none">(i) the Bank of England; or(ii) the central bank of a member state of the OECD; or(iii) a bank or a building society which offers, unrestrictedly, banking services; or(iv) a bank which is supervised by the central bank or other banking regulator of a member state of the OECD; or(b) if the account is opened elsewhere:<ul style="list-style-type: none">(i) a bank in (a); or(ii) a credit institution established in an EEA State other than in the United Kingdom and duly authorised by the relevant Home State Regulator; or(iii) a bank which is regulated in the Isle of Man or the Channel Islands |
| “Approved Securities” | A transferable security that is admitted to official listing in an EEA State or is traded on or under the rules of an eligible securities market (otherwise than by the specific permission of the market authority), as defined in COLL. |
| “Associate” | Means in relation to a person any other person whose business or domestic relationship with the first person or its Associate might reasonably be expected to give rise to a community of interest between them which may involve a conflict of interest in dealing with third parties. |

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| “Auditor” | Ernst & Young LLP, the auditor of the Company. |
| “Business Day” | Means any day on which banks are open for business in London and/or such other place or places and such other day or days as the ACD may determine. |
| “COLL Sourcebook” | The Collective Investment Schemes Sourcebook (“COLL”) issued by the FCA as part of their Handbook and Guidance made under the Act as amended or re-enacted or replaced from time to time which shall, for the avoidance of doubt, not include guidance or evidential requirements contained in the said sourcebook. |
| “Company” | Courtiers Investment Funds ICVC. |
| “Cut-Off Time” | The cut-off time for submission of instructions. The cut-off time will be 15:00 each Dealing Day. |
| “Dealing Day” | Monday to Friday (except for (unless the ACD otherwise decides) a bank holiday in England and Wales or any day on which the London Stock Exchange plc is not open for the full duration of its normal trading hours) and other days at the ACD’s discretion. |
| “Depositary” | Citibank UK Limited, the depositary of the Company. |
| “EEA State” | A member state of the European Union and any other state which is within the European Economic Area. |
| “Eligible Institution” | One of certain eligible institutions being a BCD credit institution authorised by its home state regulator, as defined in the glossary of definitions in the FCA Handbook, or a MiFID investment firm authorised by its home state regulator as defined in the glossary of definitions in the FCA Handbook. |
| “FCA” | The Financial Conduct Authority of 12 Endeavour Square, London E20 1JN or any successor regulatory authority thereto. |
| “FCA Handbook” | The handbook of rules and guidance published by the FCA as amended from time to time. |
| “FCA Rules” | (i) The rules contained in COLL; and (ii) the AIFMD Rules. |
| “Fund” or “Funds” | A sub-fund or sub-funds of the Company. Each Fund forms part of the property of the Company but is pooled separately and is invested in accordance with the investment objective applicable to that Fund. |
| “FUND” | Investment Funds Sourcebook (FUND), issued by the Financial Conduct Authority, which stipulates requirements for firms covered by the AIFMD. |
| “Income Shares” | Shares in respect of which income is distributed to Shareholders. |
| “Instrument of Incorporation” | The Instrument of Incorporation of the Company as amended from time to time. |
| “Larger Denomination Share” | A Share (or unit) issued by the Company as a larger denomination share. |

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| “Net Asset Value” or “NAV” | The value of the property of the Company, a Fund or a Class (as the context may require) less the liabilities of the Company, (Fund or Class concerned) as calculated in accordance with the Instrument of Incorporation. |
| “Net Asset Value per Share” or “NAV per Share” | The Net Asset Value of a Class in issue in respect of any Fund divided by the number of Shares of the relevant Class in issue or deemed to be in issue. |
| “Non-Qualified Person” | <p>Any person to whom a transfer of Shares (legally or beneficially) or by whom a holding of Shares (legally or beneficially) would or, in the opinion of the ACD, might:-</p> <ul style="list-style-type: none"> a) be in breach of any law (or regulation by a competent authority) of any country or territory by virtue of which the person in question is not qualified to hold such Shares; or b) require the Company or the ACD to be registered under any law or regulation whether as an investment fund or otherwise, or cause the Company to be required to apply for registration, or comply with any registration requirements in respect of any of its Shares, whether in the United States of America or any other jurisdiction; or c) cause the Company, its Shareholders and the ACD some legal, regulatory, taxation, pecuniary or material administrative disadvantage which the Company or its Shareholders might not otherwise have incurred or suffered. |
| “OECD” | The Organisation for Economic Co-operation and Development. |
| “OEIC” | A company incorporated under the OEIC Regulations. |
| “OEIC Regulations” | The Open-Ended Investment Companies Regulations 2001 (as amended from time to time). |
| “Ongoing Charges Figure or OCF” | The sum of the charges and expenses paid from a Fund’s assets (formerly known as the total expense ratio or TER), which shows the annual operating expenses of the Fund, expressed as a percentage of average net assets. It does not include initial charges or dealing costs. |
| “Product Reference Number” | The Product Reference Number or “PRN” is issued by the FCA and is unique to each fund managed and marketed by the ACD. |
| “Regulated Activities Order” | The Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 SI 2001/544. |
| “the Regulations” | The OEIC Regulations and the FCA Rules. |
| “Scheme Property” | The property of the Company or such part of it as is attributable to a particular sub-fund, as the context may require in each case, from time to time. |

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| “Share” or “Shares” | A share or shares in the Company (including Larger Denomination Shares and Smaller Denomination Shares). |
| “Share Class” or “Class of Shares” or “Class” | All of the Shares issued by the Company as a particular class of Shares relating to a single Fund. |
| “Shareholder” | A holder of Shares in the Company. |
| “Smaller Denomination Share” | A Share carrying one hundredth of the rights of a Larger Denomination Share. |
| “UK” | United Kingdom of Great Britain and Northern Ireland. |
| “Valuation Point” | The point, whether on a periodic basis or for a particular valuation, at which the ACD carries out a valuation of the property of the Company or a Fund (as the case may be) for the purpose of determining the price at which Shares of a Class may be issued, cancelled or redeemed. The Valuation Point will be 22:00 each Dealing Day. |
| “VAT” | Value added tax. |

1. THE COMPANY

- 1.1** Courtiers Investment Funds ICVC is an open-ended investment company with variable capital incorporated in England and Wales under Registered Number IC000515 and authorised by the FCA with effect from 29th January 2007.
- 1.2** The minimum share capital of the Company shall be £1 and the maximum share capital shall be £100,000,000,000. The base currency for the Company is pounds sterling. The Shareholders are not liable for the debts of the Company. Shares in the Company are not listed on any investment exchange.
- 1.3** The Company is a non-UCITS retail scheme which complies with COLL 5.6 (as defined in the FCA Rules) and consists of Courtiers Total Return Cautious Risk Fund, Courtiers Total Return Balanced Risk Fund and Courtiers Total Return Growth Fund (the “Funds”).
- 1.4** The Company is structured as an umbrella company, in that different Funds may be established from time to time by the ACD with the approval of the FCA. On the introduction of any new Fund, a revised Prospectus will be prepared setting out the relevant details of each Fund.
- 1.5** The Head Office of the Company is 18 Hart Street, Henley-on-Thames, Oxfordshire, RG9 2AU.
- 1.6** The address in the UK for service on the Company of notices or other documents required or authorised to be served on the Company is 18 Hart Street, Henley-on-Thames, Oxfordshire, RG9 2AU.
- 1.7** Each of the Funds has a segregated portfolio to which its assets and liabilities are attributable and accordingly, the assets of a Fund belong exclusively to that Fund and shall not be used to discharge directly or indirectly the liabilities of or claims against any other person or body including the Company and any other Fund and shall not be available for any such purpose.
- 1.7.1 Whilst the provisions of the OEIC Regulations provide for segregated liability between Funds, these provisions are subject to the scrutiny of the courts and it is not free from doubt, in the context of claims brought by local creditors in foreign courts or under foreign law contracts, that the assets of a Fund will always be ‘ring fenced’ from the liabilities of other Funds of the Company.
- 1.7.2 Each Fund will be charged with the liabilities, expenses, costs and charges of the Company attributable to that Fund and within the Funds charges will be allocated between Classes in accordance with the terms of issue of Shares of those Classes. Any assets, liabilities, expenses, costs or charges not attributable to a particular Fund may be allocated by the ACD in a manner which it believes is fair to the Shareholders generally. This will normally be pro rata to the Net Asset Value of the relevant Funds.

2. THE FUNDS, THEIR INVESTMENT OBJECTIVES & POLICIES & RISK FACTORS

- 2.1** Details of the investment objective, policy and risk profiles relating to an investment in the Funds are set out below:

Courtiers Total Return Cautious Risk Fund

Investment Objective

The Courtiers Total Return Cautious Risk Fund seeks to achieve a total return comprised of income and capital growth, over 5 years.

Investment Policy

The Fund aims to achieve its objective through an actively managed portfolio of different assets held within the Fund. The above time horizon is not a recommendation to sell the investment at the end of that minimum period. There is no guarantee that the Fund will achieve its objective over any particular period or at all.

The Fund will gain exposure to different asset classes worldwide, such as company shares, commodities, bonds, cash instruments and real estate such as property. At the ACD's discretion, the Fund may be weighted to any one or more of these asset classes, provided such weighting is consistent with the Fund's objectives.

Rather than buying directly into the above asset classes, the ACD intends to obtain exposure to them by investing in other security types such as funds managed by other specialist managers including those managed by the ACD, investments issued by banks or governments that are a short term loan to the issuer by the buyer, deposits and derivatives, the value of which is derived from one or another of the underlying investments noted above such as shares, commodities or the performance of a particular stock exchange. The risk of the underlying assets is considered, along with the prevailing market conditions.

The ACD will use their expertise to select investments and positions that deliver a high level of returns in a way that is efficient, low cost and in line with the Fund's overall risk strategy.

To help investors to compare funds with broadly similar characteristics, the Investment Association (the trade body that represents the UK investment management industry) has grouped many funds sold in the UK into sectors.

Courtiers Total Return Cautious Risk Fund is classified in the Investment Association Mixed Investment 20-60% shares sector.

The above sector can be used by investors as a performance comparator.

Courtiers Total Return Balanced Risk Fund

Investment Objective

The Courtiers Total Return Balanced Risk Fund seeks to achieve a total return comprised of income and capital growth, over 5 years.

Investment Policy

The Fund aims to achieve its objective through an actively managed portfolio of different assets held within the Fund. The above time horizon is not a recommendation to sell the investment at the end of that minimum period. There is no guarantee that the Fund will achieve its objective over any particular period or at all.

The Fund will gain exposure to different asset classes worldwide, such as company shares, commodities, bonds, cash instruments and real estate such as property. At the ACD's discretion, the

Fund may be weighted to any one or more of these asset classes, provided such weighting is consistent with the Fund's objectives.

Rather than buying directly into the above asset classes, the ACD intends to obtain exposure to them by investing in other security types such as funds managed by other specialist managers including those managed by the ACD, investments issued by banks or governments that are a short term loan to the issuer by the buyer, deposits and derivatives, the value of which is derived from one or another of the underlying investments noted above such as shares, commodities or the performance of a particular stock exchange. The risk of the underlying assets is considered, along with the prevailing market conditions.

The ACD will use their expertise to select investments and positions that deliver a high level of returns in a way that is efficient, low cost and in line with the Fund's overall risk strategy.

To help investors to compare funds with broadly similar characteristics, the Investment Association (the trade body that represents the UK investment management industry) has grouped many funds sold in the UK into sectors.

Courtiers Total Return Balanced Risk Fund is classified in the Investment Association Mixed Investment 40-85% shares sector.

The above sector can be used by investors as a performance comparator.

Courtiers Total Return Growth Fund

Investment Objective

The Courtiers Total Return Growth Fund seeks to achieve a total return comprised of income and capital growth, over 5 years.

Investment Policy

The Fund aims to achieve its objective through an actively managed portfolio of different assets held within the Fund. The above time horizon is not a recommendation to sell the investment at the end of that minimum period. There is no guarantee that the Fund will achieve its objective over any particular period or at all.

The Fund will gain exposure to different asset classes worldwide, such as company shares, commodities, bonds, cash instruments and real estate such as property. At the ACD's discretion, the Fund may be weighted to any one or more of these asset classes, provided such weighting is consistent with the Fund's objectives.

Rather than buying directly into the above asset classes, the ACD intends to obtain exposure to them by investing in other security types such as funds managed by other specialist managers including those managed by the ACD, investments issued by banks or governments that are a short term loan to the issuer by the buyer, deposits and derivatives, the value of which is derived from one or another of the underlying investments noted above such as shares, commodities or the performance of a particular stock exchange. The risk of the underlying assets is considered, along with the prevailing market conditions.

The ACD will use their expertise to select investments and positions that deliver a high level of returns in a way that is efficient, low cost and in line with the Fund's overall risk strategy.

To help investors to compare funds with broadly similar characteristics, the Investment Association (the trade body that represents the UK investment management industry) has grouped many funds sold in the UK into sectors.

Courtiers Total Return Growth Fund is classified in the Investment Association Flexible Investment sector. There no limit on the amount of shares held.

The above sector can be used by investors as a performance comparator.

Risk Profiles of Investors

Below Average Risk Investor

Below average risk investors keep money for capital expenditure, and emergencies, in cash deposits and National Savings. They will, however, take risks with their medium to longer-term assets (over 5 years) in an attempt to generate higher returns than inflation. Longer-term assets will be broadly diversified over a range of assets where the values may fluctuate, but this will be limited. Investors must recognise that the risk of placing their money in cash deposits is that inflation can erode the value of capital.

Investor traits: Wary, takes some long term risks.

Average Risk Investor

Average risk investors keep money for capital expenditure, and emergencies, in deposit accounts and National Savings. They are, however, prepared to accept risks with their medium to longer-term assets (over 5 years) and will expose these assets to broadly diversified portfolios that reflect movements in the major markets for stocks and shares. They accept that there are risks associated with this strategy and that there will be fluctuations in their capital value in the short term and are willing to accept a reasonable amount of fluctuation in the capital value of their investments.

Investor traits: Considered, some experience, takes measured risks, thinks long term.

Above Average Risk Investor

Above average risk investors recognise that taking risks can be to their long-term advantage and they are comfortable with the ups and downs of stocks and shares. They understand that this strategy can result in large fluctuations in the value of their capital, but are willing to accept this risk to achieve their goals. They have probably invested in the stockmarket previously and they are prepared to consider more aggressive sectors, such as emerging markets and smaller companies. They will keep cash for emergencies and immediate expenditure in safer investments, such as deposits and National Savings, but this is purely for immediate liquidity.

Investor traits: Risk taker, experienced investor, thinks long-term, confident, unphased by losses.

2.2 Each of the Funds is to be marketed to high net worth retail clients, intermediaries and institutions.

2.3 Where and when appropriate, the historical performance of the Funds will be set out in Appendix 6.

2.4 Risk Factors

2.4.1 General Risks

Investors should be aware that there are risks inherent in the holding of securities:-

- (a) Past performance is no guide to the future. The value of Shares, and any income from them, can go down as well as up, particularly in the short term, meaning that an investment may not be returned in full.
- (b) The tax treatment of the Funds may change and such changes cannot be foreseen.
- (c) Where regular investments are made with the intention of achieving a specific capital sum in the future, this will normally be subject to maintaining a specified level of investment.

(d) **Liabilities of the Company**

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

Notwithstanding the above, however, Shareholders are not liable for the debts of the Company. A Shareholder is not liable to make any further payment to the Company after he/she has paid the price on purchase of the Shares.

(e) **Effect of Initial Charge**

Where an Initial charge is imposed, an investor who realises his Shares after a short period may not (even in the absence of a fall in the value of the relevant investments) realise the amount originally invested.

The Shares therefore should be viewed as medium to long term investments.

(f) **Dilution Levy**

Investors should note that in certain circumstances a dilution levy may be applied on the issue or sale and/or redemption or cancellation of Shares (see "Charges" in section 7). Where a dilution levy is not applied, the Fund in question may incur dilution which may constrain capital growth.

(g) **Client Money**

Any money which the ACD is required to hold as client money (for example, for share dealing purposes) will be held on your behalf by the ACD in a client money account with any regulated bank or banks that the ACD may select, in accordance with the FCA's rules relating to the holding of client money. No interest will be paid on money held in these client money accounts.

Where the ACD holds client money on your behalf, it will do so in a designated omnibus client account with statutory trust status. This means that money held within the account is recognised by the relevant bank as belonging to the clients of the ACD, rather than to the ACD itself. If a bank holding your client money fails, your money will be pooled with the money held in the omnibus account for

other investors in the funds operated by the ACD, and you will have a claim against the common pool of money, rather than a claim against a specific sum in a specific account. As a result, any shortfall in the client money account will be shared on a pro-rata basis between all investors on whose behalf the ACD holds client money.

The ACD is responsible for exercising all due skill, care and diligence in the selection and monitoring of all banks where client money is deposited, however, the ACD will not be responsible for any acts, omissions or for failure of any such bank. If any bank holding your client money fails and cannot return your money, you may be eligible to claim under the Financial Services Compensation Scheme (see section 18 under the heading “Investors Compensation Scheme” for more information).

(h) Suspension of Dealings in Shares

Investors are reminded that in certain circumstances their right to redeem Shares (including a redemption by way of switching) may be suspended (see “Suspension of Dealings” in section 10.13).

2.4.2 Specific Risks

(a) Leverage

The Company may employ leverage by borrowing and the use of derivatives for investment purposes.

(i) Borrowings

A Fund may use borrowings as permitted by the FCA Rules for the purposes of making investments. The use of borrowings creates special risks and may increase a Fund’s investment risk. Borrowings create opportunities for greater yield and total return but, at the same time, will increase a Fund’s exposure to capital risk and interest costs. Any investment income and gains earned on investments made through the use of borrowings that are in excess of the interest costs associated therewith may cause the Net Asset Value of the Fund to increase more rapidly than would otherwise be the case. Conversely, where the associated interest costs are greater than such income and gains, the Net Asset Value of the Fund may decrease more rapidly than would otherwise be the case. The expected and the maximum levels of leverage (obtained through borrowing and use of derivatives) employed by the ACD on behalf of a Fund are set out below in (ii).

(ii) Derivatives

The Company intends to use the Scheme Property of each Fund to enter into transactions in derivatives, warrants and forward contracts. These may be used for the purposes of hedging and/or meeting the investment objectives (or both) of that Fund and the NAV of that Fund may as a result at times be highly volatile. In pursuing a Fund’s investment objective, the ACD may make use of a variety of instruments in accordance with the FCA Rules. Leverage obtained through the use of derivatives is obtained from the relevant counterparty.

Except as set out below, there is no upper limit on the number of transactions executed in derivatives or forward transactions or the use of leverage generally, either by way of borrowing or otherwise, other than those which may be imposed by applicable law, rule and regulation. The Company does not generally grant any guarantee or enter into any collateral or assets re-use arrangements, the grant of any such guarantee or entry into any such arrangement (as, in each case, permitted by the FCA Rules) will be disclosed to Shareholders in accordance with the AIFMD Rules.

The maximum level of leverage which the ACD may employ on behalf of the Company is equal to 100% of the value of the Scheme Property of each Fund when calculated in accordance with the "Commitment Method" and 300% when calculated in accordance with the "Gross Method" and where leverage is calculated as the excess exposure above 100% of the net asset value of the funds expressed as a percentage of net asset value. For example, if the net asset value of a fund is £100 and the value of the assets calculated on either the "gross" or "commitment" method is £150 the "leverage" will be 50%.

The "Commitment Method" and the "Gross Method" of calculating the Funds' exposures are set out within the AIFMD Rules. Under the "Commitment Method", delta-adjusted exposures to the underlying assets/securities are netted-off, i.e. a negative exposure to a specific asset is used to reduce a positive exposure to the same asset. With the "Gross Method" there is no netting-off and so each exposure is cumulative and is the sum of the absolute values (with "absolute values", numbers, whether positive or negative, are treated as positive) of all the underlying positions. The maximum level has been set by the ACD to satisfy its obligations under the AIFMD Rules.

The use of leverage may expose the Funds to volatile investment returns although it is the intention that the use of derivatives should not materially increase the volatility of a Fund in excess of the situation were that Fund directly holding the underlying investments.

(b) OTC Derivatives

The Company may in respect of a Fund enter into over-the-counter ("OTC") derivatives transactions in respect of which there may be uncertainty as to their fair value due to their tendency to have limited liquidity and possibly higher price volatility. In addition, the Fund will be exposed to the risk that a counterparty may be unable to perform its obligations under an OTC transaction, whether due to its own insolvency or that of others, market illiquidity, disruption or other causes beyond the control of the ACD.

In response to the 2008 financial crisis. The leaders of the G20 agreed that all standardised OTC derivative contracts should be traded on exchanges or electronic trading platforms, where appropriate, and cleared through central counterparties, that OTC derivative contracts should be reported to trade repositories and non-centrally cleared contracts should be subject to higher capital requirements.

Steps were also taken to regulate OTC derivative contracts in Europe. European Union Regulation No 648/2012 on OTC derivatives, central counterparties and

trade repositories (also known as the European Market Infrastructure Regulation, or “EMIR”), which came into force on 16 August 2012, introduces uniform requirements in respect of OTC derivative contracts by requiring certain “eligible” OTC derivative contracts to be submitted for clearing to regulated central clearing counterparties and by mandating the reporting of certain details of OTC derivative contracts to trade repositories. In addition, EMIR imposes risk mitigation requirements for appropriate procedures and arrangements to measure, monitor and mitigate operational and counterparty and credit risk in respect of OTC derivatives contracts which are not subject to mandatory clearing. These risk mitigation requirements will include the exchange and segregation of collateral by the parties.

In the United States the Dodd-Frank Wall Street Reform and Consumer Protection Act, enacted in July 2010, (the “Reform Act”) includes provisions that comprehensively regulate certain OTC derivatives markets for the first time. Whilst the Company has historically had, and currently intends to continue to have, little direct exposure to such OTC derivatives markets, because many provisions of the Reform Act require rulemaking by the applicable regulators before becoming fully effective and the Reform Act mandates multiple agency reports and studies (which could result in additional legislative or regulatory action), it is difficult to predict the precise impact of the Reform Act on the Company and the markets in which the Company trades and invests or the counterparties with which it does business.

(c) **Fixed Interest Securities**

Fixed interest securities are particularly affected by trends in interest rates and inflation. If interest rates increase, capital values may fall and vice versa. Inflation will erode the real value of capital. In addition, Companies may not be able to honour repayment on bonds they issue.

(d) **Investment in other schemes**

A Fund may invest in other collective investment schemes which enter into transactions that give rise to leverage. Such leverage is not taken into account in the commitment and gross exposure calculations for the Fund.

A Fund may, subject to the FCA Rules, invest in unregulated collective investment schemes. Such schemes are subject to less onerous regulatory supervision than regulated schemes, and therefore may be considered higher risk.

These unregulated schemes may include hedge funds which may be illiquid, i.e. difficult to sell, and may also borrow to meet their objectives. This borrowing is likely to lead to volatility in the value of the scheme, meaning that a relatively small movement either down or up in the value of the scheme’s total assets will result in a magnified movement in the same direction of scheme’s net asset value.

(e) **Regulatory Risks of Hedge Funds**

The regulatory environment for hedge funds is evolving and changes therein may adversely affect the ability of the Company to obtain the return it might otherwise obtain or to pursue its investment strategies. In addition, the regulatory or tax

environment for derivative and related instruments is evolving and may be subject to modification by government or judicial action which may adversely affect the value of the investments held by the Company. The effect of any future regulatory or tax change on the Company is impossible to predict.

In particular, the AIFMD regulates alternative investment fund managers (“AIFM”) (such as the ACD) established in the European Economic Area (the “EEA”). As an authorised AIFM, the ACD will comply with various obligations in relation to the Company which may create additional costs that may be borne by Shareholders. Certain conditions relating to the domicile of the Company will have to continue to be met in order for the marketing of Shares to professional investors in the EEA to be permitted. There can be no guarantee that this will continue to be the case. The ACD reserves the right to adopt such arrangements as it deems necessary or desirable to comply with the applicable requirements of the AIFMD, including making any relevant filings in order to be able to market Shares to investors in the UK.

(f) Currencies

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

(g) Property

Investments in property are relatively illiquid and more difficult to realise than equities or bonds. The value of the property is a matter of judgement by the valuer, rather than fact, due to heterogeneity (i.e. every property is unique so the realised price on the sale of another property may not be a good proxy for the value of the property held in a Fund). As at the date of this Prospectus, the Company does not hold any investments in property.

(h) Emerging Markets

Investment in emerging markets carries a higher risk than investing in mature markets. This is mainly because of the volatility of the markets and local regulations, and custody and registration arrangements, which may be less developed than in more mature markets.

(i) Net Asset Value

Whilst the Administrator may use the latest available published price in respect of each investment in order to calculate the Net Asset Value it reserves the right to use more recent valuations where this is considered appropriate. Such valuations may be based on an estimate of a more recent price of any unit or share in an underlying investment fund of another collective investment undertaking in which a Fund invests obtained from or calculated on the basis of more recent information received from the underlying fund or undertaking or any of its service providers or agents. Subject to the FCA rules, in the event that a price or valuation estimate accepted by the ACD in relation to an underlying investment of the Company subsequently proves to be incorrect or varies from a final published price no adjustment to the Net Asset Value or Shares in issue will be made unless the ACD deems it appropriate in the circumstances.

(j) **Unlisted securities**

Subject to the FCA Rules, a Fund may invest in unlisted securities. Transactions in unlisted securities may involve greater risk than investing in exchange traded securities. This is because there is no exchange market on which to assess the value of the instrument or the exposure to risk. The ACD is obliged to ensure that there is a reliable valuation available for such unlisted securities. However, bid and offer prices need not be quoted, and, even where they are, they will be established by dealers in these securities and/or issuers and consequently it may be difficult to establish what is a fair price. Price volatility may also be greater than for exchange-traded securities.

(k) **Counterparty Risk**

The Company will be subject to the risk of the inability of any counterparty to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes.

Some of the markets in which the Company may effect transactions are “over-the-counter”. The participants in such markets are typically not subject to the same credit evaluation and regulatory oversight as are members of “exchange-based” markets. In addition, many of the protections afforded to participants on some organised exchanges, such as the performance guarantee of an exchange clearing house, might not be available in connection with such “over-the-counter” transactions. This exposes the Company to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Company to suffer a loss. Such “counterparty risk” is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Company has concentrated its transactions with a single or small group of counterparties. The Company only enters into transactions with counterparties which it believes to be creditworthy, and may reduce the exposure incurred in connection with such transactions through the receipt of letters of credit or collateral from certain counterparties. Regardless of the measures the Company may implement to reduce counterparty credit risk, however, there can be no assurance that a counterparty will not default or that the Company will not sustain losses on the transactions as a result. The ability of the Company to transact business with any one or number of counterparties, the lack of any meaningful and independent evaluation of such counterparties’ financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Company.

(l) **Financing Arrangements; Availability of Credit**

In the event that the Company uses borrowings (this may include the use of securities margin, futures margin, repurchase agreements, bank or dealer credit lines) there can be no assurance that the Company will be able to maintain adequate financing arrangements under all market circumstances.

As a general matter, the banks and dealers that may provide financing to the Company may apply discretionary margin, “haircuts”, financing and security and collateral valuation policies. In the event of changes by banks and dealers in one or more of these policies, which may be at any time for any reason, or the imposition of other credit limitations or restrictions, the Company may be required

to liquidate investments at disadvantageous prices. Any adverse effects may be exacerbated in the event that such changes are made, or such limitations or restrictions are imposed, suddenly and/or by multiple market participants simultaneously.

The Company may also be subject to a “margin call”, pursuant to which it must either deposit additional funds with the relevant broker or be the subject of mandatory liquidation of such securities over which the broker has been granted security to compensate for the decline in value. A “margin call” can essentially be made at the discretion of the relevant broker, even if the securities over which that broker has been granted security to secure the Company’s margin accounts have not declined in value. In the event of a sudden drop in the value of the Company’s assets, if the ACD were not able to liquidate assets quickly enough to pay off the margin debt, the relevant broker may liquidate additional assets of the Company, in its sole discretion, in order to satisfy such margin debt.

(m) **Tax Considerations**

A 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 a Fund is incorporated, established or resident for tax purposes. A 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 a Fund or the counterparty to a transaction involving a Fund is incorporated, established or resident for tax purposes.

Where a Fund invests in securities or enters into transactions that are not subject to withholding, capital gains, transaction 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.

(n) **FATCA and Similar Measures**

Under the United States Foreign Account Tax Compliance Act provisions contained in sections 1471 to 1474 of the United States Internal Revenue Code and US Treasury Regulations promulgated thereunder (together, as amended from time to time, “FATCA”), certain payments made to the Company may be subject to a 30 per cent withholding tax (a “FATCA Deduction”) and under the relevant UK legislation the Company may be subject to financial penalties or other sanctions unless the Company complies with the requirements of the Intergovernmental Agreement (“IGA”) between the United States and the UK (the “US-UK IGA”) (which seeks to implement the requirements of FATCA) and legislation enacted in the UK to implement the US-UK IGA. Further information may be found in section [16.8] under the heading “TAXATION – FATCA and similar measures”.

The UK has also signed inter-governmental agreements with Jersey, Guernsey, the Isle of Man and Gibraltar (the “UK CDOT IGAs”) that impose similar requirements to the US-UK IGA and enacted legislation to implement the UK CDOT IGAs in the UK. A number of other jurisdictions have entered into or are committed to entering into inter-governmental agreements for the automatic cross-border exchange of tax information similar to the US-UK IGA and UK

CDOT IGAs, including, in particular, under a regime known as the OECD Common Reporting Standard (“CRS”). The UK has signed, along with over 100 other countries, a multilateral competent authority agreement to implement the CRS, and has passed regulations to give effect to the CRS. These regulations require UK “Financial Institutions”, including the Company, to identify specified persons in participating jurisdictions under the CRS, and to report related information to HMRC (for automatic exchange with the relevant tax authorities in such jurisdictions). The Company may be subject to financial penalties or other sanctions if it fails to comply with the requirements of the UK regulations giving effect to CRS. Due to the overlap between the UK CDOT IGAs and CRS, reportable persons in Jersey, Guernsey, the Isle of Man and Gibraltar are reported under CRS and not the UK CDOT IGAs from 2018 and it is expected that the UK legislation implementing the UK CDOT IGAs will be repealed in due course.

While the Company will seek to satisfy its obligations under FATCA, the US-UK IGA, the UK CDOT IGAs, the CRS and the associated implementing legislation in the UK to avoid the imposition of any FATCA Deductions, financial penalties and other sanctions, the ability of the Company to satisfy such obligations will depend on receiving relevant information and/or documentation about each Shareholder and the direct and indirect beneficial owners of the Shares (if any). The Company intends to satisfy such obligations, although there can be no assurances that it will be able to do so. There is therefore a risk that the Company may be subject to one or more FATCA Deductions, financial penalties and other sanctions, any of which may have a material adverse effect on the net asset value of the Funds and hence on the Net Asset Value per Share.

All prospective investors and Shareholders should consult with their respective tax advisers regarding the possible implications of FATCA, the US-UK IGA, the UK CDOT IGAs, CRS and the associated implementing legislation in the UK and any other similar legislation and/or regulations on their investments in the Funds.

3. CHARACTERISTICS OF SHARES

3.1 Classes of Shares

Several Classes of Share may be issued in respect of each Fund, distinguished by their criteria for subscription and fee structure.

Classes are denominated in pounds sterling.

The Classes of Share currently available for each Fund are set out in Appendix 4.

The limits for minimal initial investment and minimum subsequent investment may be waived or reduced at the discretion of the ACD.

Where a Fund has different Classes, each Class may attract different charges and so monies may be deducted from Classes in unequal proportions. In these circumstances the proportionate interests of the Classes will be adjusted accordingly.

3.2 Income and Accumulation Shares and Gross Shares

Income Shares

Holders of Income Shares are entitled to be paid the distributable income attributed to such Shares in respect of the relevant interim and/or annual distribution period for that Share Class.

Income Shares are not currently issued by the Company. In the event that Income Shares are made available, income (if any) will be distributed on or before the income distribution dates (see Appendix 3 in relation to each Fund).

Accumulation Shares

Holders of Accumulation Shares are not entitled to be paid the income attributed to such Share Class in relation to the relevant interim and/or annual distribution periods, but that income is automatically transferred to (and retained as part of) the capital assets of a Fund on the last day of the relevant interim and/or annual distribution period. This is reflected in the price of an Accumulation Share.

Gross Shares

Gross Shares are Income or Accumulation Shares where, in accordance with relevant tax law, distribution or allocation of income is made without any tax being deducted or accounted for by the Company.

Currently, only gross Accumulation Shares are in issue. Consequently, all references in this Prospectus to Shares are to gross Shares unless otherwise stated.]

3.3 Title to Shares

The title to Shares is evidenced by entries on the Register of Shareholders. Certificates for Shares will not be issued.

3.4 Shares with Different Denominations

In order to calculate fractional entitlements of less than one Larger Denomination Share, Shares are expressed in two denominations – Larger Denomination Shares and Smaller Denomination Shares.

- 3.4.1 The Smaller Denomination Shares are whole Shares which carry a fraction of the rights of a Larger Denomination Share.

- 3.4.2 Whenever the number of any such Smaller Denomination Shares shall reach one ten thousandth, the ACD shall automatically consolidate the Smaller Denomination Shares into one Larger Denomination Share of the same Class.

4. SHAREHOLDER MEETINGS AND VOTING RIGHTS

- 4.1** The Company will not hold annual general meetings, although the ACD or the Depositary may convene a general meeting at any time.
- 4.2** Certain changes to this Prospectus or the Instrument of Incorporation (for example, material changes to the investment objectives and/or policies) require the prior approval of a Meeting of Shareholders, in accordance with the FCA Rules. Any changes to the investment objectives and/or policies which are not material may be made by the ACD following prior written notice to Shareholders. When the prior approval of a Meeting of Shareholders or pre-notification is not required by the FCA Rules, the ACD may make changes to the Prospectus or the Instrument of Incorporation without the approval of Shareholders.
- 4.3** A Meeting of Shareholders shall not be competent to increase the maximum of the ACD's periodic charge except by an extraordinary resolution.
- 4.4** In certain circumstances, the FCA Rules require that a resolution be passed as an extraordinary resolution, which is 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. In other cases, a resolution may be passed by a simple majority of the votes validly cast for and against the resolution.
- 4.5** At any Meeting of Shareholders a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before the declaration of the result of the show of hands) demanded by the Chairman, by the Depositary or, by at least two shareholders present in person or by proxy or, in the case of a body corporate, by a duly authorised representative.
- 4.6** On a show of hands every Shareholder who (being an individual) is present in person or by proxy shall have one vote.
- 4.7** On a poll the voting rights attached to each Share shall be such proportion of the voting rights attached to all Shares in issue in the Company as the price of the Share bears to the aggregate price(s) of all the Shares in issue as at the date a notice of meeting is sent out, as described in 4.9 – 4.13 below.
- 4.8** The quorum at a Meeting of Shareholders shall be two Shareholders present in person or by proxy. The quorum for an adjourned meeting is one Shareholder present in person or by proxy.
- 4.9** A corporation being a Shareholder may authorise such 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 he represents as the corporation could exercise if it were an individual Shareholder.
- 4.10** The ACD shall be entitled to receive notice of and attend at any such meeting but shall not be entitled to vote or be counted in the quorum therefore and accordingly, the Shares held or deemed to be held by the ACD shall not be regarded as being in issue.
- 4.11** Any associate of the ACD shall not be entitled to vote at any such meeting except in respect of Shares which he holds on behalf of a person who, if himself the registered holder, would be entitled to vote, and from whom he has received voting instructions.
- 4.12** In the case of joint Shareholders the vote of the senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint Shareholders and for

this purpose seniority shall be determined by the order in which the names stand in the Register of Shareholders.

4.13 The Shareholders entitled to receive notice of meetings shall be those Shareholders entered on the register at a time to be determined by the ACD and stated in the notice of the meeting which is a reasonable time before the notice of the relevant meeting is sent out.

5. CLASS RIGHTS

- 5.1** The rights attached to a Class of Shares may only be amended by a class meeting of Shareholders of that Class of Shares. Any amendment to the Instrument of Incorporation that relates to a particular Class of Shares or particular Share Classes and does not prejudice the Shareholders of any other Share Class may be made by an extraordinary resolution passed at a class meeting. Details of the rights attached to any particular Class of Shares will be made available to the Shareholders by prior notice in writing.
- 5.2** The provisions regarding the conduct of meetings set out above shall apply to meetings of the Fund or a Share Class within the Fund, but by reference to the Shares of the Fund or Share Class concerned and the prices of Shares in such Fund or Share Class.

6. VALUATION

- 6.1** The Scheme Property is valued at each Valuation Point on each Dealing Day in order to determine the price at which Shares in the Funds may be purchased from or redeemed by the ACD and created or cancelled by the Company. There will only be a single price for any Share as determined from time to time by reference to a particular Valuation Point.
- 6.2** Under the FCA Rules, the ACD has certain responsibilities in relation to the proper valuation of the Scheme Property, determination of the price of Shares and publication of the same. The ACD has appointed the Administrator to calculate the value the Scheme Property and to determine the price of Shares in accordance with this Prospectus and the ACD's valuation policy as provided by the ACD to the Administrator.
- 6.3** The ACD reserves the right to carry out an additional valuation of the Scheme Property if it considers it desirable to do so. The ACD shall inform the Depositary of any decision to carry out an additional valuation.
- 6.4** An outline of the valuation policy on the basis of which the Scheme Property is valued is as follows:
- 6.4.1 Units or shares in a collective investment scheme:
- (a) if a single price for buying and redeeming units or shares is quoted, at most recent such price; or
 - (b) 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
- 6.4.2 Transferable securities are valued at their quoted price or if the investment is one for which different prices are quoted according to whether it is being bought or sold then it will be valued at its mid-market price.
- 6.4.3 Any fiscal charges or commissions or other charges that have been paid or are payable on the acquisition or disposal of the investments above are excluded from their value.
- 6.4.4 Cash is valued at its nominal value.
- 6.4.5 Any other property of the Fund will be valued at what the ACD considers a fair value.
- 6.4.6 Deductions are made for anticipated tax liabilities and for an estimated amount in respect of other liabilities payable out of the Fund.
- 6.4.7 Contingent liability transactions will be valued as follows:
- (a) if it is a written option (and the premium for writing the option has become part of the Scheme Property), deduct the amount of the net valuation of premium receivable;
 - (b) if the Scheme Property is an off-exchange derivative the method of valuation shall be agreed between the ACD and the Depositary;

- (c) if it is an off-exchange future, include it at the net value of closing out in accordance with a valuation method agreed between the ACD and the Depositary;
- (d) if it is any other form of contingent liability transaction, include it at the mark to market value (whether as a positive or negative value).

6.4.8 An amount is added in respect of estimated recoverable tax and any other amounts due to be paid into the Fund.

6.5 Where the ACD has reasonable grounds to believe that the price obtained is unreliable or the most recent price available does not reflect the ACD's best estimate of the value of the relevant investment at the relevant Valuation Point or no price or no recent price exists, the ACD may use a price which, in the opinion of the ACD reflects a fair and reasonable price for that investment (the fair value price).

6.6 The proportionate interests of each Share Class in the assets and income of the Fund shall be determined by the ACD as the proportion of the Scheme Property that is held by that Share Class at the end of the previous business day.

6.7 The proportion of assets and income allocated to each Share Class is made after allowing for the effect, including attributable taxation, of any charges and expenses made on bases which vary by Share Class.

6.8 The price per Share at which Shares are bought or are redeemed is the Net Asset Value per Share. Any initial charge, redemption charge or dilution levy is payable in addition to that price.

7. CHARGES

7.1 Initial Charge

The ACD is permitted to make an initial charge on the sale of Shares to an investor. The ACD does not intend to make such a charge.

The ACD may introduce an initial charge only in accordance with the FCA rules and after the ACD has made available a revised version of the Prospectus showing the rate of charge and its commencement. Any initial charge introduced will apply only to Shares purchased since its introduction.

7.2 Redemption Charge

The ACD may make a charge on the redemption of Shares. The ACD does not intend to make such a charge.

In relation to the imposition of a redemption charge, where Shares of the Class in question in the relevant Fund have been purchased at different times by a redeeming Shareholder, the Shares to be redeemed shall be deemed to be the Shares purchased first in time by that Shareholder.

The ACD may introduce a redemption charge on Shares or vary the rate or method of calculation of any redemption charge only in accordance with the FCA Rules and after the ACD has made available a revised version of the Prospectus showing the rate of charge and its commencement. Any redemption charge introduced will apply only to Shares sold since its introduction but not to Shares previously in issue.

In the event of a change to the rate or method of calculation of a redemption charge, details of the previous rate or method of calculation will be available from the ACD.

7.3 Annual Management Charge

7.3.1 The ACD may make a periodic charge which shall be paid out of the property of a Fund twice monthly in arrears at the annual percentage rate shown in Appendix 4. This is calculated and accrued daily, based on the value of the property of the Fund on the preceding Business Day.

7.3.2 Where the investment objective of a Fund is to treat the generation of income and capital growth as equal priority, all or part of the ACD's fee may be charged against capital instead of against income. This will only be done with the approval of the Depositary. This treatment of the fee will increase the amount of taxable income available for distribution to Shareholders in the Fund concerned, but will constrain capital growth.

7.3.3 The ACD may not increase any charge it takes from the Fund save in accordance with the FCA Rules (see below).

7.3.4 The ACD may pay to the Registrar out of the Annual Management Charge fees for the registrar and services relating to FATCA and similar regimes.

7.4 Dilution

A Fund may suffer dilution (reduction) in the value of its property as a result of the costs incurred in dealing in its underlying investments and of any spread between the buying and selling prices of these investments. It is not, however, possible to predict accurately whether dilution will occur at any point in time. In order to counter this, the ACD has decided that its policy on dilution is that it may require the payment of a dilution levy. In cases where a dilution levy is made the value of the capital of the property of a Fund will not be adversely affected by dilution. If charged, the dilution levy will be shown in addition to (but not part of) the price of Shares on their issue by the Company or sale by the ACD and as a deduction to the price of their Shares on their cancellation by the Company or redemption by the ACD. The ACD has no entitlement to the dilution levy, which will either be paid into the relevant Fund, in the case of an issue of shares by the Company or sale by the ACD or retained in the Fund in the case of a cancellation of Shares by the Company or redemption by the ACD.

The need to charge a dilution levy will depend on the volume of net purchases or redemptions, as described below. The ACD may charge a discretionary dilution levy on any purchase or redemption of Shares if, in its opinion, the existing Shareholders (for purchases) or continuing Shareholders (for redemptions) might otherwise materially be adversely affected. A dilution levy must be imposed only in a manner that, so far as practicable, is fair to all Shareholders or potential Shareholders.

In particular, the dilution levy may be charged in the following circumstances:

- 7.4.1 on a Fund experiencing large levels of net purchases (i.e. purchases less redemptions) relative to its size;
- 7.4.2 on a Fund experiencing large levels of net redemptions (i.e. redemptions less purchases) relative to its size;
- 7.4.3 on “large deals”. For these purposes, a large deal is defined as a purchase or a redemption in excess of 1% of the value of the Scheme Property;
- 7.4.4 in any other case where the ACD is of the opinion that the interests of existing/continuing Shareholders and potential Shareholders require the imposition of a dilution levy.

In order to reduce inconsistency in the application of any dilution levy, the ACD may take account of the trend of the Fund in question to expand or to contract; and the transactions in Shares at a particular valuation point.

Based on the expected level of transactions in the Company the estimated rate of any dilution levy is expected to be 0.5%. On this basis the ACD does not expect to require a dilution levy in normal circumstances.

7.5 Switching Fee

The ACD may charge a switching fee when Shares of a Fund are switched for Shares in another Fund not exceeding the maximum percentage rate of Initial charge for the Shares in such other Fund. Please see section 11 for details.

7.6 Expenses of the ACD

The Company will also pay to the ACD out of the Scheme Property any expenses incurred by the ACD or its delegates of the kinds described below under “Other payments out of the Scheme

Property of the Company”, including legal and professional expenses of the ACD and its delegates in relation to the proper performance of the ACD’s duties under the ACD Agreement, or related to documents amending the ACD Agreement, all expenses incurred in preparing valuations of Scheme Property and publishing prices of Shares, all postage and communication costs incurred in the proper performance of duties under the ACD Agreement, and all expenses incurred in producing any prospectus, key features or simplified prospectus, in distributing any prospectus and any expenses of the ACD in buying or selling Shares (but excluding any commissions or similar payments as the Company is prohibited from making under the FCA Rules).

7.7 Fees to the Administrator

The Administrator is entitled to charge fees (plus VAT, if any) to cover administration and accounting for the Funds. The Fund Administration Charge, paid to the Administrator, is charged to each Fund as a percentage of the NAV of each Fund payable monthly in arrears. The charge is currently 3.5 basis points per annum for a NAV of £0 to £500 million, 2 basis points per annum for a NAV of £500 million to £750 million, 1.5 basis points per annum where the NAV is £750 million up to £1,000 million and 1 basis point per annum where the NAV is £1,000 million or more (plus in each case VAT, where applicable). There is no additional charge for additional share classes and the minimum fee is £100,000 per annum pro rata between the three Funds.

7.8 Increase in the Initial Charge or Annual Management Charges

Any increase of the initial charge or annual management charge may be made by the ACD, if it is deemed by the ACD to be significant rather than a fundamental change, as set out in the provisions of the FCA Rules only after:

- (a) giving 60 days written notice to the Shareholders (in the case of an increase of the periodic charge) or the regular savers (in the case of the Initial charge);
- (b) the ACD revising the Prospectus to reflect the proposed increase; and

if such a change is deemed fundamental, it will require the approval of the Shareholders.

8. DEPOSITARY'S REMUNERATION AND EXPENSES

8.1 Periodic Charge

- 8.1.1 The remuneration of the Depositary will be paid out of the Scheme Property monthly in arrears and will consist of a periodic charge, calculated and accrued daily, based on the value of the property of the Fund(s) on the preceding Business Day. The periodic charge will be at such annual percentage rate (before VAT) of the value of the property of the Fund(s) as the ACD and Depositary may from time to time agree. At this point the charge will be 3.00 basis points per annum for a NAV of £0 to £100 million, 2.00 basis points for the portion of NAV between £100 million and £250 million and 1.50 basis points on the portion above £250 million (plus VAT, where applicable). Minimum fee is £20,000 per Fund per annum (£15,000 per Fund per annum for the first year).
- 8.1.2 All charges are subject to an addition for VAT (if any).
- 8.1.3 The rate of the Depositary's remuneration may be increased up to a maximum of 50 basis points (0.50%) of the value of the property of each relevant Fund.

- 8.2** The Depositary is also entitled to receive out of the property of each Fund remuneration for performing or arranging for the performance of the functions conferred on the Depositary by the Instrument of Incorporation or the FCA Rules. The Depositary's remuneration shall accrue when the relevant transaction or other dealing is effected and shall be paid in arrears on the next following date on which payment of the Depositary's periodic charge is to be made or as soon as practicable thereafter.

8.3 Depositary's Expenses

The Depositary will be reimbursed by the Company for expenses properly incurred in performing or arranging for the performance of functions conferred on it by the Regulations, the Instrument of Incorporation, the Prospectus, the FCA Rules, the depositary agreement dated 22 July between the Company, the ACD and the Depositary or by general law. These functions may (without limitation of the foregoing) include custody, oversight, insurance, acquisition and dealing with assets of the Company; making deposits or loans, dealing with borrowings, effecting foreign currency dealings and effecting efficient portfolio management transactions or any other transactions, as permitted by the FCA Rules; collection of income or capital; submissions of tax returns and handling tax claims; preparation of the Depositary's annual report; calling shareholders' meetings and communicating with shareholders; preparing; clearing and despatching distribution warrants; obtaining professional advice; conducting legal proceedings; carrying out administration relating to the Company; supervision of certain of the activities of the ACD and such other duties as the Depositary is permitted or required by law to perform.

On the winding up of the Company, a Fund or the redemption and cancellation of a Class of Shares, the Depositary will be paid all accrued and owing fees, charges and reimbursement of expenses due to the date of commencement of the winding up or due in relation to the redemption and cancellation of the relevant Class of Shares (as appropriate) and any additional expenses necessarily arising out of or in connection with its obligations under this Agreement.

- 8.3.1 The Depositary is also responsible for safekeeping of the property of the Company and is entitled to receive reimbursement of the custody as an expense of the custody. The Depositary's remuneration for custody is calculated at an ad valorem rate determined by the territory or country in which each Fund's assets are held. Currently the lowest rate is 0 basis points and the highest rate is 100 basis points. In addition the Depositary makes a transaction charge determined by reference to the country or territory in which

the transaction is effected. Currently, the transaction charges range from £6 to £150 per transaction although it is envisaged that the upper limits of this range will only be charged on rare occasions.

8.3.2 The following further expenses may also be paid out of the property of the Company:

- (a) all charges and expenses incurred in connection with the collection and distribution of income;
- (c) all charges and expenses incurred in relation to the preparation of the Depositary's annual report to shareholders;
- (d) all charges and expenses incurred in relation to stocklending.

Subject to current law and HM Revenue & Customs regulations and guidance, VAT at the prevailing rate may be payable in addition to the Depositary's remuneration.

9. OTHER PAYMENTS OUT OF THE SCHEME PROPERTY OF THE COMPANY

9.1 In accordance with the Regulations, the following payments may lawfully be made out of the property of the Funds:

- 9.1.1 Broker's commission, fiscal charges and other disbursements which it is necessary to incur in effecting transactions for the Funds concerned and which are normally shown in contract notes, confirmation notes and difference accounts, as appropriate.
- 9.1.2 Interest on borrowings permitted under the FCA Rules and charges incurred in effecting or terminating such borrowings or in negotiating or varying the terms of such borrowings.
- 9.1.3 Taxation and duties payable in respect of the property of the Fund or in respect of the issue or redemption of Shares, including stamp duties or other taxes or duties in relation to the transfer to the Company of assets acquired in exchange for the issue of Shares or in relation to the redemption of Shares.
- 9.1.4 Any costs incurred in modifying the Instrument of Incorporation, including costs incurred in respect of meetings of Shareholders convened for purposes which include the modification of the Instrument of Incorporation where the modification is necessary to implement changes in the law, or necessary as a direct consequence of any change in the law, or expedient having regard to any change in the law made by, or under, any fiscal enactment and which the ACD and the Depositary agree is in the interests of Shareholders, or to remove obsolete provisions from the Instrument of Incorporation.
- 9.1.5 Any costs incurred in respect of meetings of Shareholders, or class meetings of Shareholders of a Fund, including meetings convened on a requisition by Shareholders or by the ACD.
- 9.1.6 Liabilities arising on amalgamation or reconstruction of the Company or any of its constituent Funds.
- 9.1.7 The audit fee of the Auditors of the Company and the legal fees of the Legal Advisor of the Company and any proper expenses of such an auditor and Legal Advisor, which are charged at normal commercial rates and may be changed by mutual agreement from time to time.
- 9.1.8 The periodic fees of the FCA in respect of the Company as may be prescribed under the Financial Services and Markets Act 2000 (as amended), or any relevant regulations made thereunder and any payments otherwise due by virtue of the FCA Rules or the corresponding fees of any regulatory authority in a country or territory outside the UK in which the Shares are or may be marketed.
- 9.1.9 The costs of printing and distributing any documents required by the FCA Rules and any costs incurred as a result of periodic updates or changes to such documents and any other administrative expenses.
- 9.1.10 Any costs incurred by the Company in publishing the prices of Shares, including the costs of listing the prices of Shares in publications and information services selected by the ACD, including the Financial Times.

- 9.1.11 Any expenses incurred in relation to company secretarial duties, including all costs incurred in preparing accounts and producing and despatching annual, half yearly and other reports of the Company.
- 9.1.12 Any costs incurred in producing and despatching dividend or other payments of the Company.
- 9.1.13 Any fees, expenses or disbursements of any investment adviser or other professional adviser of the Company and those of the Company's sub-advisers, including, for the avoidance of doubt and without limitation, fees paid for the provision of information and data services, including computer terminals, and independent risk management systems to the ACD in connection with its investment management function.
- 9.1.14 All fees and expenses incurred in relation to the addition and initial organisation of any new Funds, the listing of Shares on any stock exchange, the registration of any Fund with any regulator (including the fees of any law firm or other adviser in connection thereto) any offer of Shares (including the preparation and printing of any prospectus) and the creation, conversion and cancellation of Shares.
- 9.1.15 Any costs incurred in taking out and maintaining an insurance policy in respect of the ACD and the Company.
- 9.1.16 Expenses incurred by the Company in respect of any movable and immovable property in which the Company has an interest. Currently the Company does not intend to hold any such interests.
- 9.1.17 Any VAT or similar tax relating to any charge or expense set out above.
- 9.1.18 All fees in relation to the monitoring of collateral.
- 9.1.19 Such other fees, charges and expenses, as well as dealing commissions and other non-monetary benefits, payable by the Company are charged at normal commercial rates.

Save as disclosed there are no maximum amounts of fees, charges and expenses borne (directly or indirectly) by Shareholders and such amounts will depend on a number of factors including, but not limited to, portfolio turnover and level of borrowings.

9.2 Ongoing Charges Figure

The Ongoing Charges Figure or OCF (formerly known as the total expense ratio or TER) represents the sum of the charges and expenses paid from a Fund's assets, which shows the annual operating expenses of the Fund, expressed as a percentage of average net assets. It does not include initial charges or dealing costs. Further information about the OCF of the Funds can be found in Appendix 4.

9.3 Allocation of Assets, Charges and Expenses to Funds

All fees, duties, charges and expenses (other than any borne by the ACD) are charged to the Fund in which they were incurred. However, where they are not attributable to a particular Fund, they will be allocated among the Funds in a manner which the ACD considers is fair to the Shareholders generally. The costs of authorisation of any new Fund may be borne by that Fund at the discretion of the ACD.

10. BUYING AND SELLING OF SHARES

- 10.1** Shares in each Fund may be bought or sold on any Dealing Day between 9:30 and 15:00.
- 10.2** Shares may be bought and sold by writing to the ACD or by such other means as the ACD may make available from time to time. A purchase or sale of Shares is a legally binding contract.
- 10.3** Orders received and accepted by the ACD by the Cut-Off Time on a Dealing Day will be dealt with at the price calculated on that day. Orders received and accepted after that time will be dealt with at the price calculated on the next Dealing Day.
- 10.4** A contract note giving details and, where appropriate, a notice of the applicant's right to cancel the transaction will be issued on the Business Day following the purchase or sale. Certificates will not be issued in respect of Shares in the Fund as ownership is evidenced by entry on the Register. In the case of a purchase of Shares, settlement will be required at the time of placing the instruction to purchase Shares. Payments for Share purchases are made by Shareholders directly into a client money account, from which such payments are transferred (net of any fees and other amounts payable to the ACD) to the Depositary for the issue of Shares.
- 10.5** All payments received by the ACD shall be transferred to the Depositary for the issue of the Shares on the later of the contractual settlement date or the date when payment has irrevocably been received in cleared funds by the ACD, net of any fees and other amounts payable to the ACD.
- 10.6** In the case of a redemption, the ACD will issue a settlement cheque or bank transfer within three working days of receipt of a form of renunciation (copies of which may be obtained from the ACD) and the Cut-Off Time following receipt by the ACD of the request to sell. Any form of renunciation must be signed by each of the holders of the relevant Shares. For security purposes, where a Shareholder submits a request to change his name, address or bank details, a 10 day block is placed on redemption proceeds, giving the Shareholder enough time to receive advice that the change has been made and to notify the ACD of any discrepancy.
- 10.7** The Depositary will pay the redemption proceeds into a client money account operated by the ACD and payments to redeeming Shareholders will be made from this account. Redemption proceeds due to a Shareholder shall be treated as client money until the payment to the shareholder has settled.
- 10.8** The ACD has the right to reject, on reasonable grounds relating to the circumstances of the applicant, any application for Shares in whole or part, and in this event the ACD will return any money sent, or the balance of such monies, at the risk of the applicant.
- 10.9** Part of a Shareholder's shareholding may be redeemed but the ACD reserves the right to refuse a redemption request if the value of the Shares of any Fund to be redeemed is less than £500, unless it constitutes their total holding.
- 10.10** An applicant has the right to cancel his application to buy Shares at any time during the 14 days after the date on which he receives a cancellation notice from the ACD. If an applicant decides to cancel the contract, and the value of the investment has fallen at the time the ACD receives the completed cancellation notice, he will not receive a full refund as an amount equal to any fall in value will be deducted from the sum originally invested.

10.11 If the full settlement has not been made at the time of applying for Shares, it must be paid so as to be received by the ACD within three Business Days. Provided that no notice of cancellation is received, settlement is completed on receipt of cleared funds. If settlement is not received as set out above, the ACD may, at their discretion, cancel the transaction. If the value of the investment has fallen at the time of the cancellation the applicant may not receive a full refund as an amount equal to any fall in value will be deducted from the sum originally invested.

10.12 Cancellation rights will not apply to an applicant entering into a contract as a result of completing an application form to buy shares, unless the investment was arranged by an independent intermediary, in which case cancellation rights may be available and will be exercisable, as stated in 10.10.

10.13 Suspension of Dealing

The ACD may, with the prior agreement of the Depositary, or will, if the Depositary so requires at any time, temporarily suspend the purchase and redemption of Shares in any of the Funds, without prior notice to Shareholders in accordance with the FCA Rules. The FCA Rules permit a suspension for such period as is justified having regard to the interests of the Shareholders, if the ACD, or the Depositary, is of the opinion that, due to exceptional circumstances, there is good and sufficient reason to do so having regard to the interests of the Shareholders in the Fund concerned. If the redemption of Shares in a Fund is suspended, the obligations relating to the creation, cancellation, issue and redemption of Shares, contained in the FCA Rules, will cease to apply in respect of the Fund concerned. The ACD will continue to comply with the obligations in the FCA Rules relating to the valuation and pricing of Shares as far as is practicable in light of the suspension.

The ACD will notify Shareholders affected by the suspension of dealing as soon as practicable after the suspension commences. Such notification will draw Shareholders' attention to the exceptional circumstances which resulted in the suspension and the ACD will keep Shareholders informed about the suspension and the likely duration. The ACD and the Depositary will conduct a formal review of the suspension at least every 28 days in accordance with the FCA Rules, and will inform the FCA of the results of this review.

During any suspension, a Shareholder may withdraw his redemption notice provided that such withdrawal is in writing and is received before determination of the suspension. Any notice not withdrawn will be dealt with on the Dealing Day next following the end of the suspension.

If such a suspension occurs, the recalculation of the price of the units will recommence on the next Valuation Point following the resumption of dealing.

10.14 Pricing

Shares in the Company are "single priced". This means that subject to the initial charge (explained on page 22), the price of a share for both buying and selling purposes will be the same and determined by reference to a particular Valuation Point. The price of a share is calculated at or about the Valuation Point each Dealing Day (to at least four significant figures) by:

- (a) Taking the value of the property attributable to the relevant Fund and therefore all shares (of the relevant class) in issue (on the basis of the units of entitlement in the property of the Fund attributable to that class at the most recent valuation of the Fund); and
- (b) Dividing the result by the number of shares of the relevant class in issue immediately before the valuation concerned.

The ACD deals on a forward pricing basis. A forward price is the price calculated at the next Valuation Point after receipt of a request for a purchase or sale.

10.15 Publication of Prices of Shares

Prices of Shares will be published daily on the ACD's website, www.courtiers.co.uk, and will be available by telephoning the ACD on 01491 578368. The ACD may, at its discretion, publish prices with other financial companies. As the ACD deals on a forward pricing basis, the price that appears in the newspapers may not necessarily be the same as the one at which the investors deal. For reasons beyond the control of the ACD, this will not necessarily be the current price. The ACD cannot accept responsibility for the accuracy of the prices published by other financial companies or for the non-publication of prices.

10.16 Money Laundering

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

10.17 In Specie Redemption

The ACD may at its absolute discretion, in the event of a request for redemption in excess of 1% of the Scheme Property, arrange that in lieu of payment of the price of the Shares in cash, the Company shall cancel the Shares and transfer to that Shareholder property of the Fund of the relevant value or, if required by the Shareholder, the net proceeds of the sale of the relevant property to him. The ACD must give written notice to the Shareholder concerned of its decision to exercise these powers before the cash payment would otherwise be due. The Fund property to be transferred will be selected by the ACD in consultation with the Depositary and with a view to achieving no more advantage or disadvantage to the Shareholder requesting redemption of his Shares than to continuing Shareholders. The Company may retain out of the Fund property to be transferred property or cash of a value or amount equivalent to any stamp duty reserve tax to be paid by the Company (if any) in relation to the redemption of Shares.

10.18 Transfers

Shareholders are entitled to transfer their Shares to another person or body. All transfers must be in writing in the form of an instrument of transfer approved by the ACD for this purpose. Completed instructions of transfer must be returned to the ACD in order for the transfer to be registered with the ACD. The ACD may refuse to register a transfer unless the applicable SDRT provision (if any) has been paid.

10.19 Restrictions and Compulsory Transfer and Redemption

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

If it comes to the notice of the ACD that any Shares have been acquired or are being held, beneficially or otherwise, by a Non-Qualified Person ("affected Shares") the ACD may give notice

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

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

The Company may refuse to register a transfer of Shares unless it has received an amount determined by the ACD as being the SDRT payable by the Company (if any) on the transfer, or such lesser sum as the ACD may determine.

10.20 Compulsory Redemption

The Shares in any Fund may be compulsorily redeemed or cancelled in accordance with the Instrument of Incorporation if the holding of any Shares by a Shareholder is, or is reasonably considered by the ACD to be, an infringement of any law or governmental regulations, or which would result in the Company incurring any liability to taxation or suffering any other adverse consequence.

10.21 Deferred Redemption

In times of high redemptions, where requested redemptions exceed 10% of a Fund's value, to protect the interests of continuing Shareholders, the ACD may defer redemptions at a particular Valuation Point on a Dealing Day, to the Valuation Point on the next Dealing Day. This will allow the ACD to match the sale of Scheme Property to the level of redemptions, and should reduce the impact of dilution on a Fund. Subject to sufficient liquidity being raised at the next Valuation Point all deals relating to the earlier Valuation Point will be completed before those relating to the later Valuation Point are considered.

10.22 Legal Implications of Investment in the Company

All deals in Shares are governed by English Law.

Judgments from overseas courts may be recognised and enforced by the Courts of England and Wales without re-examination of the merits where some form of reciprocal enforcement arrangement is in place. Instruments governing such reciprocal enforcement arrangements include the Brussels Regulation and the Brussels and Lugano Conventions in respect of judgments from the courts of EU member and EEA states Iceland, Switzerland and Norway ("the Brussels regime") and by the Administration of Justice Act 1920 and the Foreign Judgments (Reciprocal Enforcement) Act 1933 (covering most Commonwealth and some other countries – the "Statutory regime"). In other cases, under the English common law a final and conclusive foreign judgment given by a competent court potentially creates an obligation that is actionable in England and Wales through the institution of fresh legal proceedings, to which various defences are available to a defendant. There is also provision in England and Wales for the enforcement of European Enforcement Orders obtained under the European Enforcement Orders Regulation, European Orders for Payment, judgments obtained under the European Small Claims Procedure, community judgments and judgments from other part of the UK.

European Orders for payment, judgments obtained under the European Small Claims Procedure, community judgments and judgments from other part of the UK. Where a judgment falls within the scope of the Brussels regime, an application can be made to register it. A registration order must be made if the required formalities have been complied with. There are limited grounds of appeal against the making of the order. Where a judgment falls under the statutory regime an application can be made to register it. There are various grounds for non-registration and on which registration will be set aside. Once registered under either regime, a judgment will be treated as if it was a judgment of the English court for enforcement purposes.

None of the agreements appointing the ACD, the Depositary, the auditors, legal counsel or any other of the Company's service providers provides for any third party rights for investors.

Absent a direct contractual relationship between the Shareholder and the relevant service provider, Shareholders generally have no direct rights against the relevant service provider and there are only limited circumstances in which a Shareholder may potentially bring a claim against the relevant service provider. Instead, the proper claimant in an action in respect of which a wrongdoing is alleged to have been committed against the Company by the relevant service provider is, prima facie, the Company, itself.

11. CONVERSION AND SWITCHING BETWEEN FUNDS OR CLASSES

Subject to any restrictions on the eligibility of investors for a particular Share Class, a Shareholder in a Fund may at any time:

- Convert all or some of his Shares in one Class in a Fund for Shares of another Class of Shares in the same Fund; or
- Switch all or some of his Shares in one Class in a Fund for Shares in another Fund.

Conversions

Conversions will be effected by the ACD recording the change of Share Class on the Register of the Company. If a Shareholder wishes to Convert Shares they should apply to the ACD in the same manner as for a sale as set out below. A Conversion may be subject to income equalisation, as referred to below.

Conversions may not be effected at the next Valuation Point and may be held over and processed with Conversion instructions given by other Shareholders. The number of Shares to be issued in the new Class will be calculated relative to the price of the Shares being Converted from. If you would like information about when your conversion will be processed please contact the ACD.

Conversions will not generally be treated as a disposal for United Kingdom taxation purposes provided certain conditions are satisfied.

There is currently no fee on Conversions.

Switches

Subject to the qualifications below, a Shareholder may at any time Switch all or some of his Shares of one Share Class in a Fund ("**Original Shares**") for Shares of another Fund ("**New Shares**").

The number of New Shares issued will be determined by reference to the respective prices of New Shares and Original Shares at the Valuation Point applicable at the time the Original Shares are redeemed and the New Shares are issued.

The ACD may at its discretion make a charge on the Switching of Shares between Funds. Any such charge on Switching does not constitute a separate charge payable by a Shareholder, but is rather the application of any redemption charge on the Original Shares and any initial charge on the New Shares, subject to certain waivers. For details of the charges on Switching currently payable, please see section 9.

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

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

Please note that under UK tax law a Switch of Shares in one Fund for Shares in any other Fund will be treated as a redemption of the Original Shares and a purchase of New Shares and will, for persons subject to United Kingdom taxation, be a disposal of the Original Shares for the purposes of UK capital gains taxation and UK corporation tax on chargeable gains, which may give rise to a liability to tax, depending upon the Shareholder's circumstances.

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

12. DISTRIBUTION

The Company's annual accounting period ends on 30 September (the "accounting reference date") in each year, with an interim accounting period ending on 31 March each year ("the interim accounting reference date").

Each distribution will be payable two months after the Company's annual and interim accounting period.

Notwithstanding these dates, under the FCA Rules the ACD may, with the agreement of the Depositary, elect that a particular accounting period shall end on a day which is not more than seven days after or before the day on which the period would otherwise end. References to the above dates and the dates of income allocation periods and of publication of the yearly and half yearly report of the Company should be read accordingly.

Unclaimed distributions will be held by the ACD as client money. Any distribution of income that is unclaimed for a period of six years after having become due for payment, shall be forfeited and shall revert to the Fund to which such distribution relates. Currently, there is no intention of the Funds distributing income.

Income equalisation will not be operated in relation to the Funds.

13. HOW DISTRIBUTABLE INCOME IS DETERMINED

The income available for distribution or accumulation in relation to a Fund is determined in accordance with the FCA Rules. In general terms, the income comprises all the sums deemed by the Company, after consultation with the Auditors of the Company, to be income in nature and received or receivable by the Company and attributable to the Fund in respect of the accounting period concerned, after deducting charges and expenses paid or payable out of such income and after making such adjustments in relation to taxation and other matters. The allocation of income to each Share Class is made after allowing for the effect, including attributable taxation, of any charges or expenses made on bases which vary by Share Class.

Income relating to a Fund is allocated at each Valuation Point among Classes of Shares linked to the Fund in proportion to the value of each Share Class relative to the value of the entire Fund as at the immediately preceding Valuation Point including any share class creation and cancellation movements applied at the immediately preceding Valuation Point.

14. GENERAL INFORMATION

14.1 Reports and Accounts

The Annual Report in respect of the Company will be published within four months of the end of the annual accounting period which ends on 30 September. The interim accounting period ends on 31 March and half-yearly long reports will be made up to such date each year and published within two months. The accounts contained in the annual and half yearly reports will be prepared in accordance with the FCA Rules and the Statement of Recommended Practice for Financial Statements of Authorised Funds. A copy of the long report is available on request.

14.2 Inspection of Documents

Copies of the Instrument of Incorporation (as amended), the material contracts referred to below at 14.4, any amending instrument, the most recent annual and half-yearly reports and the NURS KII-documents may be inspected and obtained free of charge during normal office hours from:

Courtiers Asset Management Limited

18 Hart Street
Henley on Thames
Oxfordshire
RG9 2AU

14.3 Register of Shareholders

The Register of Shareholders for the Fund of the Company can be inspected at Courtiers Asset Management Limited. Any notice or document required to be sent or served to Shareholders will be sent either by first class post to the address as most recently notified to the Company and as entered on the Register of Shareholders, or electronically to the email address most recently notified to the Company (where a Shareholder has consented to the receipt of documents and notices electronically), at the ACD's discretion.

14.4 Material Contracts

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

- (b) the Depositary Agreement dated 22 July 2014 between the Company and the Depositary; and
- (b) the Amended and Restated ACD Agreement dated 22 July 2014 between the Company and the ACD as novated from Courtiers Investment Services Limited to the ACD with effect from 22 July 2014.

Details of the above contracts are given in Appendix 3.

15. PERIODIC DISCLOSURE

15.1 The following information will be disclosed to Shareholders at the same time as the annual report is made available to Shareholders:

- (a) the percentage of the Fund's assets that are subject to special arrangements arising from their illiquid nature (including, but not limited to, deferrals of redemptions, suspension, liquidating trust);
- (b) any new arrangements for managing the liquidity of a Fund including, but not limited to, any material changes to the liquidity management systems and procedures employed by the ACD; provided that Shareholders will be notified in accordance with AIFMD Rules where deferred redemptions or other similar special arrangements are activated or where redemptions of Shares are suspended;
- (c) the current risk profile of the Funds and the risk management systems employed by the ACD to manage those risks; and
- (d) the total amount of leverage employed by a Fund.

15.2 Regular Disclosure

Any changes to the following information will be provided by the ACD to Shareholders in accordance with the AIFMD Rules:

- (a) any changes to the maximum level of leverage which the ACD may employ on behalf of a Fund; and
- (b) any changes to the right of re-use of collateral or any changes to any guarantee granted under any leveraging arrangement.

16. TAXATION

The following statements are based on our understanding of current English law and United Kingdom HM Revenue & Customs (“HMRC”) practice as known at the date of this Prospectus. They summarise certain limited aspects of the tax position of the Company, each Fund and of investors who are UK resident for taxation purposes and hold their shares as investments. The statements may not apply to certain Shareholders or Classes of Shareholders. The levels and bases of taxation and reliefs from taxation may change in the future. The information given below does not constitute tax or legal advice and Shareholders are recommended to consult their professional adviser if they are in any doubt as to their individual tax position or if they may be subject to tax in a jurisdiction other than or in addition to the UK.

16.1 The Funds

Each Fund is treated as an open-ended investment company (“OEIC”) for tax purposes and as a separate OEIC from any other sub-fund of the Company.

Each Fund is generally exempt from UK corporation tax on chargeable gains realised on the disposal of its investments (including interest bearing securities and derivatives) provided that such profits fall to be treated appropriately in the relevant Fund’s statement of total return to be included in its annual report, which will depend on the accounting treatment of such profits. It cannot be guaranteed that the Funds’ transactions will give rise to exempt chargeable gains.

Gains realised upon the sale, redemption or other disposal of interests in “offshore funds” which are not “reporting funds” for UK tax purposes and which are not specifically excluded are charged to tax as income (“offshore income gains”) and not as a capital gain. Each Fund is accordingly not exempt from tax on such gains. Shareholders may not receive effective credit for the tax on such gains. This is on the basis that each Fund does not meet the conditions, and has not elected and does not intend to elect, to be treated as a “fund investing in non-reporting offshore funds” for the purposes of Part 6A Authorised Investment Funds (Tax) Regulations 2006.

Each Fund is, however, liable to UK corporation tax at the current rate of 20% on any taxable income after deducting allowable management expenses, charges and the gross amount of any interest distributions. A Fund may receive dividend distributions from UK collective investment schemes or dividends in respect of investments in equities. Depending on the availability of exemptions, these dividends, and any part of the dividend distributions from UK collective investment schemes which relate to dividends, are not generally subject to UK corporation tax in a Fund. Other types of income, for example interest distributions from UK collective investment schemes, bank deposit interest or certain dividends from UK or overseas companies are taxable. Where foreign tax has been suffered on income from overseas sources, that tax can in some instances be offset against UK corporation tax payable by the relevant Fund by way of double tax relief.

A 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 a Fund is incorporated, established or resident for tax purposes. A 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 a Fund or the counterparty to a transaction involving a Fund is incorporated, established or resident for tax purposes. Where a Fund invests in securities or enters into transactions that are not subject to withholding, capital gains, transaction 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.

An authorised investment fund that meets certain conditions in respect of an accounting period may apply to be effectively exempt from tax on certain income (a “tax elected fund”). Generally, an investor in a tax elected fund would be subject to tax on the appropriate share of such income as if such investor held the relevant assets of the tax elected fund directly. The Funds are not tax elected funds and it is not intended to apply for the Funds to be tax elected funds.

16.2 Shareholders

On the specified allocation dates each Shareholder becomes entitled to a distribution which is treated as the Shareholder’s income for tax purposes. Allocations made in respect of Accumulation Shares will be automatically retained in the relevant Fund. Accumulations of income are treated for tax purposes as deemed distributions of income to the Shareholder.

With each actual or deemed distribution the ACD will send a tax voucher showing the amount of income to which each Shareholder is entitled, the nature of the distribution and related tax credit (if any). Notes printed on the tax voucher will indicate how the amount should be reflected in the Shareholder’s tax return.

Distributions paid may be either dividend distributions or interest distributions, depending on the nature of the relevant Fund and its investments. Interest distributions can be made only where the market value of the relevant Fund’s interest-bearing investments, including holdings in collective investment schemes that pay interest distributions and cash on deposit, exceeds 60% of the market value of all its assets throughout the accounting period to which it relates (these Funds are referred to as “bond funds”).

16.3 Income Tax

Dividend Distributions

An individual Shareholder who is resident for tax purposes in the United Kingdom will receive an annual Dividend Allowance which will exempt from tax his first £2,000 of dividend income, including dividend distributions received or deemed to be received from a Fund. Dividend income in excess of the Dividend Allowance is taxed at 7.5%, 32.5% or 38.1%, to the extent that income falls within the basic rate income tax band, the higher rate income tax band or the additional rate income tax band, respectively. Individual Shareholders should note that dividend income forms the top slice of an individual’s income and that all dividend income (including that income exempted from tax by virtue of the Dividend Allowance) is counted when determining which income tax rate band is applicable.

Interest Distributions

If the total amount shown in the distribution account of a 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.

Individual Shareholders resident for tax purposes in the United Kingdom should note that a Personal Savings Allowance exempts from tax the first £1,000 of savings income of basic rate taxpayers (£500 for higher rate taxpayers). Savings income includes interest distributions (but not dividend distributions) from OEICs. The Personal Savings Allowance is not available to additional rate taxpayers.

Finance Act 2017 abolished the requirement for OEICs to deduct income tax from interest distributions to shareholders with effect from 6 April 2017. Accordingly, interest distributions paid or treated as paid by a Fund to Shareholders, including individual Shareholders, will be paid gross without deduction of UK income tax.

Assuming that such an individual Shareholder's savings income in a tax year exceeds their Personal Savings Allowance (as referred to above), individual Shareholders liable to UK income tax at the basic rate (20%), higher rate (40%) or additional rate (45%) must account to HMRC for the applicable tax due on the gross amount of the interest distribution. Individual Shareholders should note that savings income forms the second highest slice of an individual's income (after dividend income) and that all savings income (including that income exempted from tax by virtue of the Personal Savings Allowance (if relevant) is counted when determining which income tax rate band is applicable.

16.4 Corporation Tax

Dividend Distributions

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

General insurance and other companies within the charge to UK corporation tax for whom a dividend distribution is not treated as a trading receipt are within the scope of the "corporate streaming rules" and any such Shareholders may therefore have to divide dividend distributions in two (in which case the division will be indicated on the tax voucher). Any part representing dividends received from a company will be treated as dividend income, (in respect of which no liability to UK corporation tax should arise depending on the availability of exemptions). To the extent that the gross income less tax from which the dividend distributions are made is not wholly dividend income, that part of the distribution is received as an annual payment from which income tax at the basic rate of 20% is deemed to have been deducted (or, where relevant, an amount of foreign income in respect of which the foreign tax has been paid), the gross amount of which will, depending on the circumstances, be chargeable to UK corporation tax at the rate applicable to a UK resident corporate Shareholder but with credit for the income tax treated as deducted (or credit for the foreign tax treated as paid). The current main rate of corporation tax is 19%. The percentages to be used to calculate the allocation between dividend income and unfranked income received will be set out on the tax voucher.

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 relevant Fund's net liability to UK corporation tax in respect of gross income for the distribution period in question. The tax voucher will state the relevant 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.

The above treatment will not apply where the Fund is a "bond fund" from the perspective of a relevant Shareholder (as to which see below).

Interest Distributions

Finance Act 2017 abolished the requirement for OEICs to deduct income tax from interest distributions to shareholders and accordingly, interest distributions paid or treated as paid by a

Fund to Shareholders, including UK resident corporate Shareholders, will be paid gross without deduction of UK income tax. Companies within the charge to UK corporation tax will therefore be liable to pay UK tax on an interest distribution paid or treated as paid by a Fund, subject to any available exemptions or reliefs.

See below for the treatment of a corporation tax payer where the Fund is a “bond fund”.

16.5 Tax on Chargeable Gains

For Shareholders in a Fund who are resident in the UK, the disposal of Shares in the Fund or the exchange of Shares in one Fund for Shares in another Fund is treated as a redemption and sale and may give rise to a liability to capital gains tax or corporation tax on chargeable gains in respect of gains arising from the disposal. Switches between Classes within a Fund should not give rise to a liability to UK capital gains tax or UK corporation tax on chargeable gains, provided that certain conditions are satisfied.

In respect of the Accumulation Shares, income arising from these shares is accumulated and added to the capital property of the relevant Fund. As a result, such amounts should be added to the acquisition 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 are only liable to capital gains tax if their total chargeable gains (net of allowable losses) in the year exceed the annual exemption of £12,000 for the 2019/2020 tax year. If gains in excess of this exemption are realised the excess is taxable at the rate of UK capital gains tax applicable to the investor, being either 10% or (for higher and additional rate taxpayers) 20%.

Shareholders within the charge to UK corporation tax are chargeable to UK corporation tax on all such gains and net chargeable gains will normally be added to the profits charged to UK corporation tax. Indexation relief will be available though has been frozen with effect from 31 December 2017. If during a corporate Shareholder’s accounting period more than 60% by market value of the property of a Fund is at any time invested in interest-paying or equivalent investments (making the Fund a “bond fund” from the perspective of that Shareholder), then the Shareholder must instead treat its holding as a creditor loan relationship subject to a fair value basis of accounting for UK corporation tax purposes and any distributions (whether dividend distributions or interest distributions) as profits derived from such creditor loan relationship.

16.6 Stamp Duty Reserve Tax

UK stamp duty reserve tax (“SDRT”) is generally not chargeable on surrenders and certain other transfers of Shares. However, Investors may be subject to a principal SDRT charge on non-pro rata in specie redemptions, namely a situation where an investor receives selected assets and cash rather than receiving their portion of all the assets and cash within that Fund. The current rate of SDRT is 0.5% on chargeable assets. No SDRT charge will arise on pro rata in specie redemptions.

16.7 UK information reporting regime

Each Fund 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. The Company may also report information about Shareholders to HMRC in compliance with its domestic (and any overseas) obligations relating to FATCA, the US-UK IGA, the UK CDOT IGAs (as defined below), the OECD Common Reporting Standard and any other similar intergovernmental agreements for the automatic exchange of tax information which may be entered into and implemented by the UK.

16.8 FATCA and similar measures

The UK has signed a Model 1 inter-governmental agreement with the United States (the “US-UK IGA”) to give effect to the United States Foreign Account Tax Compliance Act provisions contained in sections 1471 to 1474 of the United States Internal Revenue Code and US Treasury Regulations promulgated thereunder (together, as amended from time to time, “FATCA”). Pursuant to the US-UK IGA and the related UK legislation, regulations and guidance, the Company and/or each Fund is required to report certain information about “Specified U.S. Persons” (as defined in the US-UK IGA) that own, directly or indirectly, an interest in a Fund. If the Company and/or each Fund does not comply with these obligations, it may be subject to a 30 per cent withholding tax on certain payments to it of US source income (including interest and dividends) (a “FATCA Deduction”), and to financial penalties or other sanctions under the relevant UK legislation.

Under the terms of the current US-UK IGA, the Company and/or each Fund will not generally be required to withhold tax on payments made to an account holder (i.e. a Shareholder) or to close recalcitrant accounts. The Company and/or each Fund will be required to report certain information in respect of any “Specified U.S. Persons” to HMRC and HMRC will exchange this information, on an automatic basis annually, with the US Internal Revenue Service.

The UK has also signed inter-governmental agreements with Jersey, Guernsey, the Isle of Man and Gibraltar (the “UK CDOT IGAs”) that impose similar requirements to the US-UK IGA and enacted legislation to implement the UK CDOT IGAs. Under the terms of the UK CDOT IGAs, the Company and/or each Fund are required to identify accounts held directly or indirectly by specified persons in Jersey, Guernsey, the Isle of Man and Gibraltar and report information on such specified persons to HMRC, which exchanges such information, on an automatic basis annually, with the respective tax authorities in Jersey, Guernsey, the Isle of Man and Gibraltar.

A number of other jurisdictions have entered into or are committed to entering into inter-governmental agreements for the automatic cross-border exchange of tax information similar to the US-UK IGA and UK CDOT IGAs, including, in particular, under a regime known as the OECD Common Reporting Standard (“CRS”). The UK has signed, along with over 100 other countries, a multilateral competent authority agreement to implement the CRS, and has issued regulations and guidance to give effect to the CRS. These regulations require UK “Financial Institutions”, including the Company and/or each Fund, to identify specified persons in participating jurisdictions under the CRS, and to report related information to HMRC (for automatic exchange with the relevant tax authorities in such jurisdictions). The Company and/or each Fund may be subject to financial penalties or other sanctions if they fail to comply with the requirements of the UK regulations giving effect to CRS. Due to the overlap between the UK CDOT IGAs and CRS, reportable persons in Jersey, Guernsey, the Isle of Man and Gibraltar are reported under CRS and not the UK CDOT IGAs from 2018 and it is expected that the UK legislation implementing the UK CDOT IGAs will be repealed in due course.

While the Company/relevant Fund will seek to satisfy its obligations under FATCA, the US-UK IGA, the UK CDOT IGAs, the CRS and the associated implementing legislation in the UK to avoid the imposition of any FATCA Deductions, financial penalties and other sanctions, the ability of the Company/relevant Fund to satisfy such obligations will depend on receiving relevant information and/or documentation about each Shareholder and the direct and indirect beneficial owners of the Shares (if any). There can be no assurance that the Company/relevant Fund will be able to satisfy such obligations. If a Shareholder, or any related party, causes the Company/a Fund to suffer a FATCA Deduction, financial penalty, or other cost, expense or liability, or the Company/relevant Fund is required to make a FATCA Deduction from such Shareholder, the Company/relevant Fund may require the compulsory redemption or transfer of any Shares held by such Shareholder and take any action available to it to ensure that the FATCA Deduction or

financial penalty and other associated costs, expenses and liabilities are economically borne by such Shareholder.

All prospective investors should consult with their own tax advisors regarding the possible implications of FATCA, the US-UK IGA, the UK CDOT IGAs, the CRS and the associated implementing legislation in the UK and any other similar legislation and/or regulations on their investments in a Fund.

17. WINDING-UP AND TERMINATION

17.1 Termination of a Fund

The Fund may be terminated:

- (a) if an extraordinary resolution of the Shareholders is passed to that effect; or
- (b) on the date of effect stated in any agreement by the FCA to a request by the ACD for the termination; or
- (c) by the ACD in its absolute discretion if one year from the date of the first issue of Shares or at any date thereafter, the net asset value of the Fund is less than £10,000,000.00.

Eligible registered shareholders will be informed in writing if the Fund is terminated or has its authorisation revoked by the FCA.

Termination of the Fund commences upon the later of the time for termination of the Fund determined in accordance with the above circumstances and the time at which the FCA, having been supplied with a statement confirming the solvency of the Fund, approves, pursuant to the OEIC Regulations, the necessary changes to the Instrument of Incorporation and this Prospectus which would result from the termination of the Fund.

On the termination of the Fund (other than in accordance with an approved scheme of amalgamation or reconstruction) the ACD is required as soon as practicable after the Fund falls to be terminated to realise the property of the Fund and pay the liabilities of the Fund out of the proceeds.

Provided that there are sufficient liquid funds in the Fund property available after making adequate provision for the expenses of the termination and the discharge of the liabilities remaining to be discharged, the ACD may arrange for the Depositary to make one or more interim distributions out of the property of the Fund to the Shareholders proportionately to the right to participate in the Fund property attached to their respective Shares as at the date of the commencement of the termination.

When the ACD has caused all the Fund property to be realised and all of the liabilities known to the ACD to be met, the ACD shall arrange for the Depositary to make a final distribution, on or prior to the date on which the termination account is sent to Shareholders, of the balance remaining (net of a provision for any further expenses of the termination) to the Shareholders in the proportions stated above.

If the Fund is to be terminated in accordance with an approved scheme of amalgamation or reconstruction, the ACD is required to terminate the Fund in accordance with the resolution of holders approving such a scheme.

Where the Company and one or more Shareholders (other than the ACD) agree, the requirement to realise the property of the Fund shall not apply to that part of the property which is proportionate to the right of that or those Shareholders, and the ACD may distribute that part in the form of property, after making such adjustments or retaining such provision as appears appropriate to the ACD for ensuring that that or those Shareholders bear a proportionate share of the liabilities and expenses.

Where any sum of money (including unclaimed distributions) still stands to the account of the property of the Fund, the ACD shall instruct the Depositary to retain such sum in an account separate from any other part of the property of the Company in accordance with the FCA Rules.

On a winding-up of the Company, the Depositary shall cease to hold those amounts as part of that account and they shall be paid by the Depositary into court in accordance with the OEIC Regulations.

17.2 Winding-up of the Company

The Company is to be wound-up:

- (a) if an extraordinary resolution of holders is passed to wind-up the Company; or
- (b) when the period (if any) fixed for the duration of the Fund by the Instrument of Incorporation expires or any event occurs, for which the instrument of incorporation provides that the Fund is to be wound up; or
- (c) on the date of effect stated in any agreement by the FCA in response to a request by the ACD for the winding up of the Company, albeit that such agreement is subject to there being no material change in any relevant factor prior to the date of the revocation.

The Company may only be wound-up under the FCA Rules if the Company is solvent and there is no vacancy in the position of the ACD. If the Company is insolvent, or there is such a vacancy, the Company may only be wound-up under Part V of the Insolvency Act 1986 as an unregistered company.

On a winding-up (other than in accordance with an approved scheme of amalgamation or reconstruction) the ACD is required as soon as practicable after the time the Company falls to be wound-up, to realise the property of the Company and pay the liabilities of the Company out of the proceeds. Liabilities of the Company attributable to a particular Fund shall be met to the extent possible out of the property attributable or allocated to such a Fund.

After making adequate provision for the expenses of the winding-up and the discharge of the liabilities of the Company remaining to be discharged, the ACD may arrange for the Depositary to make one or more interim distributions, and then a final distribution of the proceeds of the realisation of the property attributable or allocated to each Fund to the holders in each Fund, proportionately to the right to participate in the scheme property attached to their respective Shares.

If the Company is to be wound-up in accordance with an approved scheme of amalgamation or reconstruction, the ACD is required to wind-up the Company in accordance with a resolution of holders approving such scheme.

Where the Company and one or more Shareholders (other than the ACD) agree, the requirement to realise the property of the Company shall not apply to that part of the property which is proportionate to the right of that or those Shareholders, and the ACD may distribute that part in the form of property, after making such adjustments or retaining such provision as appears to the ACD appropriate for ensuring that that or those Shareholders bear a proportionate share of the liabilities and expenses.

If any sum of money is unclaimed or stands to the account of the Company at the date of its dissolution, the ACD shall arrange for the Depositary to pay such sum into court within one month after that date in accordance with the OEIC Regulations.

18. ADDITIONAL INFORMATION

18.1 Complaints

Any complaint regarding the operation or marketing of a Fund should be addressed to the Compliance Officer, Courtiers Asset Management Limited, 18 Hart Street, Henley on Thames, Oxfordshire, RG9 2AU.

If unsatisfied, a Shareholder also has the right to complain directly to the Financial Ombudsman Service, Exchange Tower, London, E14 9SR.

18.2 Investors' Compensation Scheme

Shareholders may be eligible for compensation under the Financial Services Compensation Scheme ("FSCS") if they have claims against the ACD, Depositary or another FCA authorised service provider which is in default. There are limits on the amount of compensation available. Further information about the FSCS is available from the ACD and at www.fscs.org.uk.

18.3 Use of Dealing Commissions

The ACD may effect transactions or arrange for the effecting of transactions through brokers with whom it has arrangements whereby the broker agrees to use a proportion of the commission earned on such transactions to discharge the broker's own costs or the costs of third parties in providing certain services to the ACD as permitted under the FCA Rules. Specifically, the ACD may agree that a broker shall be paid a commission in excess of the amount another broker would have charged for effecting such transaction so long as, in the good faith judgement of the ACD, the amount of the commission is reasonable in relation to the value of the brokerage and other services provided or paid for by such broker. Such services, which may take the form of research, analysis and advisory services, including (depending on the precise nature of the services) market price services, electronic trade confirmation systems or third party electronic dealing or quotation systems, may be used by the ACD in connection with transactions in which the Company may or may not participate.

Save as disclosed herein, no commissions are payable and no discounts, brokerages or other special terms have been granted by the Company in connection with the issue of the Shares. The ACD does not currently receive any fees or commissions, and is not provided with any non-monetary benefit. To the extent the ACD will receive any such fee, commission or any non-monetary benefits in future, it will notify the Shareholders.

18.4 Conflicts of Interest

18.4.1 The ACD and its associates may, from time to time, act as investment managers or advisers to other funds or sub-funds which follow similar investment objectives to those of the Funds. It is therefore possible that the ACD may in the course of their business have potential conflicts of interest with the Company or a particular Fund. The ACD will, however, have regard in such event to its obligations under the ACD Agreement and the Investment Management Agreement respectively and, in particular, to its obligation to act in the best interests of the Company so far as practicable, having regard to its obligations to other clients, when undertaking any investment business where potential conflicts of interest may arise.

Furthermore, the ACD, as the sole director of the Company, may be party to, or interested in, any contract or arrangement or transaction to which the Company is a party, or in which the Company is in any way interested, and may hold and be

remunerated in respect of any office or place of profit (other than the office of auditor or Depositary of the Company) under the Company or any other company in which the Company is in any way interested and may retain for its own absolute use and benefit all profits and advantages accruing to it thereunder or in consequence thereof. Any such interest will be properly recorded and minuted by the ACD as soon as practicable after it becomes so interested. The board of directors of the ACD comprises persons employed by the ACD or its associates. The ACD is however subject to fiduciary obligations as a director to ensure that at all times it acts in the best interests of the Company as a whole.

Pursuant to the AIFMD Rules, the ACD is responsible for the valuation of the Scheme Property. There is a conflict of interest between any involvement of the ACD in this valuation process and the ACD's entitlement to receive the Annual Management Charge from a Fund which is based on the value of the property of the Fund.

- 18.4.2 The FCA Rules contain provisions on conflicts of interest governing any transaction concerning the Company which is carried out by or with any "affected person", which means the Company, an associate of the Company, the ACD, an associate of the ACD, the Depositary and an associate of the Depositary.

These provisions, among other things, enable an affected person (a) to sell or deal in the sale of property to the Company or the Depositary for the account of the Company; (b) vest property in the Company or the Depositary against the issue of Shares in the Company; (c) purchase property from the Company (or the Depositary) acting for the account of the Company; (d) enter into a stocklending transaction in relation to the Company; or © provide services for the Company. Any such transactions with or for the Company are subject to best execution on exchange, or independent valuation or arm's length requirements as set out in the FCA Rules. An affected person carrying out such transaction is not liable to account to the Depositary, the ACD, any other affected person, or to the holders of Shares or any of them for any benefits or profits thereby made or derived.

Investment of the property of the Company may be made on arm's length terms through a member of an investment exchange (acting as principal) who is an affected person in relation to the ACD. Neither the ACD nor any such affected person will be liable to account to the Company or to the holders of Shares for any profit made or derived out of such dealings.

- 18.4.3 From time to time conflicts may arise where an entity within Citigroup provides services to the Company and/or the ACD. For example, Citibank UK Limited acts as the Depositary for the Company and Citibank N.A. has been appointed by the Depositary to act as custodian of the Company's assets. As these entities are part of the same group, this could give rise to a conflict of interest. However, the Depositary and Citibank N.A. are functionally and hierarchically separate parts of Citigroup, constituted as legal entities with distinct management structures, and they manage the conflicts in accordance with the Regulations and their duties.

The ACD's Investment Compliance Department is aware of this potential conflict and manages the relationship with both separate departments at Citigroup to protect the best interests of its clients at all times.

Furthermore, the Depositary may, from time to time, act as the depositary of other open-ended investment companies with variable capital and as trustee or custodian of other collective investment schemes.

18.5 Fair Treatment of Investors

Under the AIFMD, the ACD must treat all Shareholders fairly. The ACD has a number of policies and procedures in place to ensure that it will act honestly, fairly, professionally, independently and in the interest of the Company and its investors. For example, the ACD ensures the fair treatment of Shareholders through an organisational structure which employs robust review and oversight procedures.

Furthermore, the ACD adheres to its Conflicts of Interest Policy, which establishes requirements to identify and manage conflicts of interest in line with regulatory requirements, including potential conflicts of interest that could arise between investors. The ACD will endeavour to avoid situations whereby its own interests, or its duty to any persons on behalf of whom it acts, conflicts with its duty to clients.

In addition, the ACD adheres to its Treating Customers Fairly policy, the purpose of which is to ensure that Shareholders understand the risks inherent in the markets and securities in which they invest and clearly understand the nature of the services the ACD provides, including terms, conditions and charges.

As at the date of this Prospectus the ACD has not granted preferential treatment or the right to obtain preferential treatment to any investor or potential investor in the Funds. As such, all investors in the Company will invest in the same manner and on the same terms.

As a general matter, the ACD owes certain fiduciary duties to the Company, which require it to, among other things, act in what it considers to be in the best interests of the Company. In exercising their discretion, the ACD will act in accordance with such fiduciary duties and ensure that its actions do not result in the unfair treatment of Shareholders.

18.6 Professional Liability Risk

The ACD complies with the requirements of the AIFMD relating to cover of potential professional risks resulting from the activities it may carry out pursuant to its role as AIFM of the Funds by maintaining an amount of additional own funds and will comply with the quantitative requirements addressing such risks, in each case, in accordance with the AIFMD Rules.

18.7 Data Protection

The information provided by an applicant on an application form (or afterwards) will be held and processed by the Registrar and/or the ACD as “data controller” for the purposes of the General Data Protection Regulation.

Purposes of Processing and Legal Basis for Processing

The ACD and/or Registrar (or any of their affiliates, employees, delegates or sub-contractors) may hold and process personal data as necessary to pursue our legitimate business and other interests, for the following reasons:

- To facilitate the opening of your account with the ACD, for the administration and operation of an applicant’s investment and any related account on an on-going basis (including, for example, registration and distribution purposes, redemption, switching between Funds, transfer and subscription requests);
- To carry out checks for anti-money laundering purposes and related actions which the ACD considers appropriate to meet any regulatory and statutory requirements imposed on it or the

Funds' legitimate interests;

- To report tax related information to tax authorities in order to comply with a legal obligation;
- To communicate with third parties such as service providers of the ACD or the Funds, auditors, technology providers, as part of our outsourcing services or legal obligation imposed on the ACD or the Funds;
- To update and maintain our records, including carrying out any investigations (where necessary) and respond to incidents relating to the Funds or ACD;

Other than as noted above, the ACD will not provide any other third party with any information about a Shareholder unless that Shareholder has given consent or unless the ACD is required to do so by law.

Recipients of Data and International Transfer of Data

The ACD may disclose your personal information to other companies in its group, to the Funds' third party service providers for use for any of the above purposes. Such third party agents may be in countries located outside of the European Economic Area (EEA).

When information is being processed outside of the EEA, we ensure that any legal agreements with those third party service providers provide at least an equivalent level as would be applied by UK / EEA data privacy laws.

Where an authorised financial adviser acts on a Shareholder's behalf, the ACD will disclose information concerning the Shareholder's investment to that financial adviser.

Personal information may also be shared with competent authorities (including tax authorities) and bodies required by law or requested, to affiliates for internal investigations and reporting.

Retention period

The ACD will retain your personal data on our systems for as long as is necessary to provide the agreed service or products and/or required for the Funds. Personal data is stored in line with legal and regulatory guidelines, this includes the requirement to record all telephone calls relating to instructions regarding transactions.

The length of time that personal information will be retained will vary depending on the legal or regulatory obligations that the ACD needs to meet. Information that is no longer needed is destroyed securely or anonymised (i.e. can no longer be identified as being your personal data).

Data Subject Rights

You have rights as an individual which you can exercise in relation to the information we hold about you. Those rights include:

- Right to be informed – you have a right to receive clear and easy to understand information on what personal information we hold, why and who we share it with;
- Right of access – you can ask us for a copy of the information we hold about you. This is done by making a subject access request in writing to our registered office;

- Right to request rectification – you can ask us to correct your personal data if it is inaccurate or incomplete;
- Right to request erasure – you can ask for your information to be deleted or removed, unless we are required to retain the data for overriding legal, regulatory or contractual purposes;
- Right to restrict processing – you can ask that we stop processing your personal information if you are concerned about the accuracy of the information or if you believe we are not doing so lawfully. This allows the ACD to retain the information but only to ensure that it is not used in the future for those reasons restricted by you;
- Right to data portability – you can ask for a copy of your personal data in electronic format. We can copy or transfer that data to another data controller in a safe and secure way;
- Right to object – you can object to us processing your personal information in certain circumstances – if the processing is done for our legitimate interests (including profiling), for direct marketing (including profiling) or if we were using that information for scientific/historical research and statistics;
- Rights related to automatic decision making including profiling – you have the right to ask the ACD to: provide information about any processing involving automatic decision making or profiling involving your personal information; request human intervention or challenge a decision where processing is done solely by automated processing; and, carry out regular checks to make sure our automated decision making and profiling processes are working as they should.

A Shareholder is entitled to request details of information held about it, free of charge and provided in a structured format. All legitimate requests will be responded to within 30 days.

If you have any questions about our use of your personal data, please contact the ACD at enquiries@courtiers.co.uk or in writing to the Data Protection Officer at Courtiers Asset Management Limited, 18 Hart Street, Henley-on-Thames, Oxfordshire, RG9 2AU.

APPENDIX 1

INVESTMENT AND BORROWING POWERS AND RESTRICTIONS

The following provisions apply in respect of each Fund of the Company save where the context otherwise requires.

1. General rules of investment

- 1.1** The Scheme Property will be invested with the aim of achieving the investment objective of the Fund in question but subject to the limits set out in COLL that are applicable to Non-UCITS Retail Schemes. These limits apply to the Funds as summarised below.
- 1.2** The ACD's investment policy may mean that at times, where it is considered appropriate, the Scheme Property will not be fully invested and that prudent levels of liquidity which may at times be substantial or even (exceptionally) 100% will be maintained.

2. Prudent spread of risk

- 2.1** The ACD must ensure that, taking account of the investment objectives and policy of each Fund, the Scheme Property aims to provide a prudent spread of risk.
- 2.2** The rules in 6 below relating to spread of investments, including immovables, do not apply until 12 months after the later of:
- (a) the date when the authorisation in respect of the Company or Fund takes effect; and
 - (b) the date the initial offer period commenced;
- provided that paragraph 2.1 is complied with during such period.

3. Transferable Securities

- 3.1** A transferable security is an investment which is any of the following:
- (a) a share;
 - (b) a debenture;
 - (ba) an alternative debenture;
 - (c) a government and public security;
 - (d) a warrant, or;
 - (e) a certificate representing certain securities.

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

3.3 In applying paragraph 3.2 to an investment which is issued by a body corporate, and which is a share or debenture, the need for any consent on the part of the body corporate or any members or debenture holders of it may be ignored.

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

3.5 The Scheme will not invest in securities that are not listed on a recognised market (ie unlisted equities).

4. Non-UCITS Retail schemes – general

4.1 The Scheme Property may only, except where otherwise provided in Chapter 5.6 of the FCA Rules, only consist of any or all of:

- transferable securities;
- money market instruments;
- permitted deposits;
- permitted units in collective investment schemes;
- permitted derivatives and forward transactions;
- permitted immovable; and
- gold up to a limit of 10% in value of the Scheme Property of the Fund (although there is no current intention of the Funds investing in physical gold).

4.2 Transferable securities and money market instruments held within the Fund must be:

4.2.1 admitted to or dealt in on an eligible market as described below; or

4.2.2 recently issued transferable securities, provided that:

- (a) the terms of issue include an undertaking that application will be made to be admitted to an eligible market; and
- (b) such admission is secured within a year of issue; or

4.2.3 approved money market instruments not admitted to or dealt in on an eligible market provided that:

- (a) the issue or the issuer is regulated for the purpose of protecting investors and savings; and

(b) the instrument is issued or guaranteed in accordance with COLL 5.2.10BR

4.3 Not more than 20% in value of the Scheme Property is to consist of transferable securities not covered by paragraph 4.2.

4.4 Not more than 20% in value of the Scheme Property is to consist of money market instruments not covered by paragraph 4.2 provided that they are liquid and have a value which can be determined accurately at any time.

5. Eligible markets regime: purpose

5.1 To protect investors the markets on which investments of the Fund are dealt in or traded on should be of an adequate quality (“eligible”) at the time of acquisition of the investment and until it is sold.

5.2 Where a market ceases to be eligible, investments on that market cease to be approved securities. The 20% restriction on investing in non-approved securities applies and exceeding this limit because a market ceases to be eligible will generally be regarded as an inadvertent breach.

5.3 A market is eligible for the purposes of the FCA Rules if it is:

5.3.1 a regulated market; or

5.3.2 a market in the United Kingdom or an EEA State which is regulated, operates regularly and is open to the public.

5.4 A market not falling within paragraph 5.3 is eligible for the purposes of Chapter 5 of the FCA Rules if:

5.4.1 the ACD, after consultation with and notification to the Depositary (or any other directors of the Company), decides that market is appropriate for investment of, or dealing in, the Scheme Property;

5.4.2 the market is included in a list in the prospectus; and

5.4.3 the Depositary has taken reasonable care to determine that:

(a) adequate custody arrangements can be provided for the investment dealt in on that market; and

(b) all reasonable steps have been taken by the ACD in deciding whether that market is eligible.

5.5 In paragraph 5.4, a market must not be considered appropriate unless it is regulated, operates regularly, is recognised as a market or exchange or as a self-regulating organisation by an overseas regulator, is open to the public, is adequately liquid and has adequate arrangements for unimpeded transmission of income and capital to or for the order of investors.

5.6 The eligible markets for each Fund are set out in Appendix 2.

6. Spread: general

- 6.1** This rule does not apply respect of a transferable security or an approved money market instrument to which section 7 applies
- 6.2** Not more than 20% in value of the Scheme Property is to consist of deposits with a single body.
- 6.3** Not more than 10% in value of the Scheme Property is to consist of transferable securities or money market instruments issued by any single body.
- 6.4** The limit of 10% set out in paragraph 6.3 is raised to 25% in value of the Scheme Property in respect of covered bonds.
- 6.5** In applying paragraph 6.3 certificates representing certain securities are treated as equivalent to the underlying security.
- 6.6** The exposure to any one counterparty in an OTC derivative transaction must not exceed 10% in value of the Scheme Property.
- 6.7** Not more than 35% in value of the scheme property is to consist of the units of any one scheme.
- 6.8** For the purpose of calculating the limit in paragraph 6.6, the exposure in respect of an OTC derivative may be reduced to the extent that collateral is held in respect of it if the collateral meets each of the conditions specified in 6.9.
- 6.9** The conditions referred to in 6.8 are that the collateral:
- 6.9.1 is marked-to-market on a daily basis and exceeds the value of the amount at risk;
 - 6.9.2 is exposed only to negligible risks (e.g. government bonds of first credit rating or cash) and is liquid;
 - 6.9.3 is held by a third party custodian not related to the provider or is legally secured from the consequences of a failure of a related party; and
 - 6.9.4 can be fully enforced by the Company at any time.
- 6.10** For the purpose of calculating the limits in paragraph 6.6, OTC derivative positions with the same counterparty may be netted provided that the netting procedures:
- 6.10.1 comply with the conditions set out in Part Three, Title II, Chapter 6, Section 7 (Contractual netting (Contracts for novation and other netting agreements)) of the EU CRR; and
 - 6.10.2 are based on legally binding agreements.
- 6.11** In applying this rule, all derivatives transactions are deemed to be free of counterparty risk if they are performed on an exchange where the clearing house meets each of the following conditions:
- 6.11.1 it is backed by an appropriate performance guarantee; and
 - 6.11.2 it is characterised by a daily mark-to-market valuation of the derivative positions and an at least daily margining.

7. Spread: Government and public securities

7.1 The below applies in respect of a transferable security or an approved money-market instrument (“such securities”) that is issued by:

(a) an EEA State; or

(b) a local authority of an EEA State; or

(c) a non-EEA State; or

(d) a public international body to which one or more EEA States belong.

7.2 Where no more than 35% in value of the scheme property is invested in such securities issued by any one body, there is no limit on the amount which may be invested in such securities or in any issue.

7.3 Up to 35% in value of the Scheme Property may be invested in transferable securities or money market instruments issued or guaranteed by a single state, local authority or public international body. Subject to this, there is no limit on the amount which may be invested in such securities or in such securities issued by any one body or of any one issue.

7.4 Up to 100% of the Scheme Property may be invested in transferable securities or approved money market instruments issued or guaranteed by a single state, local authority or public international body set out in Appendix 5.

7.5 If more than 35% in value of the Scheme Property is invested in transferable securities or approved money market instruments issued by a single state, local authority or public international body, up to 30% in value of the Scheme Property of the Fund may consist of such securities of any one issue and the Scheme Property must include at least six different issues whether issued by that issuer or another issuer.

7.6 In relation to such securities:

7.6.1 issue, issuer and issuer include guarantee, guaranteed and guarantor; and

7.6.2 an issue differs from another if there is a difference as to repayment date, rate of interest, guarantor or other material terms of the issue.

Please refer to Appendix 5 for the list of issuers of Government and Public Securities.

8. Investment in collective investment schemes

Except for a feeder fund (which is not relevant for the Company) a Fund must not invest in units in a collective investment scheme (second scheme) unless the second scheme meets each of the requirements under paragraphs 8.1 to 8.5:

8.1 The second scheme is a scheme which:

- 8.1.1 complies with the conditions necessary for it to enjoy the rights conferred by the UCITS Directive; or
- 8.1.2 is a non-UCITS retail scheme; or
- 8.1.3 is a recognised scheme under the provisions of section 264 or 272 of the Financial Services and Markets Act 2000;
- 8.1.4 is constituted outside the United Kingdom and the investment and borrowing powers of which are the same or more restrictive than those of a non-UCITS retail scheme; or
- 8.1.5 is a scheme not falling within paragraphs 8.1.1 to 8.1.4 and in respect of which no more than 20% in value of the Scheme Property (including any transferable securities which are not approved securities) is invested;

8.2 The second scheme operates on the principle of the prudent spread of risk;

8.3 The second scheme is prohibited from having more than 15% in value of the property of that scheme consisting of units in collective investment schemes unless it is a scheme which complies with section 9 below;

8.4 The participants in the second scheme must be entitled to have their units redeemed in accordance with the scheme at a price related to the net value of the property to which the units relate and determined in accordance with the scheme;

8.5 Where the second scheme is an umbrella fund, the provisions of paragraphs 8.2 to 8.4 and section 6 (spread: general) apply to each sub-fund of that scheme as if it were a separate scheme.

9. Investment in feeder schemes

9.1 A Fund that is not a feeder-Fund may, if the conditions in 9.2 to 9.5 are met, invest in units of: a feeder NURS; or a feeder UCITS or a scheme dedicated to units in a single property authorised investment fund; or a scheme dedicated to units in a recognised scheme.

9.2 The relevant master UCITS must comply with the rules in COLL5.2.13R(2), (3) and (4) as if it were the second scheme for the purpose of that rule;

9.3 The relevant qualifying master scheme, property authorised investment fund or recognised scheme must comply with the rules in 8.2 to 8.5 as if it were the second scheme for the purpose of that rule;

9.4 Not more than 35% in value of the scheme property of the Fund may consist of units of one or more schemes permitted under 9.1;

9.5 The Fund must not invest directly in units of the relevant master UCITS, qualifying master scheme, property authorised investment fund or recognised scheme.

10. Investment in nil and partly paid securities

The Fund must not invest in nil and partly paid securities unless the investment complies with the conditions in COLL 5.2.17R of the FCA Rules (Investment in nil and partly paid securities).

11. Investment in associated collective investment schemes

11.1 Units in a scheme do not fall within section 8 above if that scheme is managed and operated by (or, if it is an ICVC, has as its ACD) the authorised fund manager of the investing non-UCITS retail scheme or by an associate of that authorised fund manager, unless:

(a) the prospectus of the investing authorised fund clearly states that the property of that investing fund may include such units; and

(b) the conditions in COLL 5.2.16 R (Investment in other group schemes) are complied with.

11.2 Where a sub-fund of a non-UCITS retail scheme which is an umbrella invests in or disposes of units in another sub-fund of the same umbrella (the second sub-fund), the requirement in:

(a) 11.1(a) is modified as follows – the prospectus of the umbrella must clearly state that the scheme property attributable to the investing or disposing sub-fund may include units in another sub-fund of the same umbrella; and

(b) 11.1(b) is modified as follows – COLL 5.2.16 R (Investment in other group schemes) must be complied with, modified such that references to the “UCITS scheme” are taken to be references to the investing or disposing sub-fund and references to the “second scheme” are taken to be references to the second sub-fund.

12. Investment in money market instruments

12.1 The Funds may invest up to 100% in money-market instruments which are within the provisions of 4.2 above and subject to the limit of 20% referred to in 4.3 above, which are normally dealt in or on the money market, are liquid and whose value can be accurately determined at any time.

12.2 The issue or the issuer of a money-market instrument, other than one dealt in or on an eligible market, shall be regarded as regulated for the purpose of protecting investors and savings if:

(a) the instrument is an approved money-market instrument;

(b) appropriate information is available for the instrument (including information which allows an appropriate assessment of the credit risks relating to investment in it), in accordance with COLL 5.2.10CR; and

(c) the instrument is freely transferable.

13. Derivatives

13.1 Under the FCA Rules derivatives are permitted for Non-UCITS Retail Schemes (such as the Funds) for investment purposes and derivative transactions may be used for the purposes of hedging or meeting the investment objectives or both.

13.2 Where derivatives are used, the exposure to the underlying assets must not exceed the spread limits, except where the scheme invests in an index-based derivative.

13.3 A transaction in derivatives or a forward transaction must not be effected for a Fund unless the transaction is of a kind specific in paragraph 14 below (Permitted transactions (derivatives and

forwards)); and the transaction is covered, as required by paragraph 15 (Cover for transactions in derivatives and forwards).

13.4 Where a transferable security or money market instrument embeds a derivative, this must be taken into account for the purposes of calculating any limit in this section.

13.5 Where a Fund invests in an index based derivative, provided the relevant index falls within the criteria of section 16, the underlying constituents of the index do not have to be taken into account for the purposes of the rules on spread in COLL. The relaxation is subject to the ACD continuing to ensure that the Scheme Property provides a prudent spread of risk.

14 Permitted Transactions (derivatives and forwards)

14.1 A transaction in a derivative must be in an approved derivative; or be one which complies with paragraph 17 (OTC transactions in derivatives).

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

- transferable securities;
- permitted money market instruments;
- permitted collective investment scheme units or shares;
- permitted derivatives and forward transactions;
- permitted deposits;
- permitted immovable; and
- gold up to a limit of 10% of the value of the scheme property.

14.3 The exposure to the underlying must not exceed the limits in the COLL rules on spread.

14.4 A transaction in an approved derivative must be effected on or under the rules of an eligible derivatives market.

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

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

14.7 Any forward transaction must be with an Eligible Institution or an Approved Bank.

14.8 The authorised fund manager must ensure compliance with the FCA COLL rules on cover for investment in derivatives and forward transactions and on the daily calculation of global exposure.

15 Cover for transactions in derivatives and forward transactions

15.1 Exposure is covered globally if adequate cover from within the Scheme Property is available to meet the scheme's total exposure, taking into account the current value of the underlying assets, any future market movements, counterparty risk, the time available to liquidate any positions and any underwriting commitments.

15.2 Cash obtained from borrowing, and borrowing which the ACD reasonably regards an Eligible Institution or an Approved Bank to be committed to provide is not available as cover except if the below applies.

15.3 Where the ICVC on the instructions of the authorised fund manager:

- (a) borrows an amount of currency from an eligible institution or an approved bank; and
- (b) keeps an amount in another currency, at least equal to the borrowing for the time being in (a) on deposit with the lender (or his agent or nominee);

then this section applies as if the borrowed currency, and not the deposited currency, were part of the scheme property.

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

15.5 The global exposure relating to derivatives and forward transactions held by the Funds may not exceed the Net Asset Value of the Scheme Property.

16 Schemes replicating an index

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

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

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

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

16.4.1 The composition is sufficiently diversified;

16.4.2 The index is a representative benchmark for the market to which it refers; and

16.4.3 The index is published in an appropriate manner.

17 OTC transactions in derivatives

17.1 Any transaction in an OTC derivative under paragraph 14 must be:

- 17.1.1 with an approved counterparty; a counterparty to a transaction in derivatives is approved only if the counterparty is an Eligible Institution or an Approved Bank; or a person whose permission (including any requirements or limitations), as published in the Financial Services Register or whose Home State authorisation, permits it to enter into the transaction as principal off-exchange;
- 17.1.2 on approved terms; the terms of the transaction in derivatives are approved only if, the ACD: carries out, at least daily, a reliable and verifiable valuation in respect of that transaction corresponding to its fair value and which does not rely only on a market quotation by the counterparty; and can enter into one or more further transactions to sell, liquidate or close out that transaction at any time, at its fair value. (For the purposes of this sub-paragraph, "fair value" is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction); and
- 17.1.3 capable of reliable valuation; a transaction in derivatives is capable of reliable valuation only if the ACD having taken reasonable care determines that, throughout the life of the derivative (if the transaction is entered into), it will be able to value the investment concerned with reasonable accuracy: on the basis of an up-to-date market value which has been agreed between the ACD and the Depositary; or, if that is not available, on the basis of a pricing model which the ACD and Depositary have agreed uses an adequate recognised methodology; and
- 17.1.4 subject to verifiable valuation; a transaction in derivatives is subject to verifiable valuation only if, throughout the life of the derivative (if the transaction is entered into) verification of the valuation is carried out by:
 - (a) an appropriate third party which is independent from the counterparty of the derivative, at an adequate frequency and in such a way that the authorised fund manager is able to check it; or
 - (b) a department within the authorised fund manager which is independent from the department in charge of managing the scheme property and which is adequately equipped for such a purpose.

18 Risk management

- 18.1 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 Fund's positions and their contribution to the overall risk profile of the Fund.

19 Derivatives Exposure

- 19.1 Cover ensures that a Fund is not exposed to the risk of loss of scheme property, including money, to an extent greater than the net value of the Scheme Property. Therefore, a Fund must hold Scheme Property sufficient in value or amount to match the exposure arising from a derivative obligation to which the Fund is committed. Paragraph 15 (Cover for transactions in derivatives and forward transactions) sets out detailed requirements for cover of a Fund.

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

20 Investment in deposits

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

21 Investment in property (Immovables)

21.1 The Company may have an interest in immovable property or movable property for the direct pursuit of the Company's business. Any investment in land or a building must not be retained in the Scheme Property unless:

21.1.1 it is situated in a country or territory identified in this Prospectus; and

21.1.2 if situated in:

- (a) England and Wales or Northern Ireland, be a freehold or leasehold interest; or
- (b) Scotland, be any interest or estate in or over land or heritable right including a long lease; or
- (c) if not situated in the jurisdictions referred to in 21.1.2 (a) or (b), be equivalent to any of the interests 21.1.2 (a) or (b), or if no such equivalent is available in the jurisdiction, be an interest that grants beneficial ownership of the immovable to the scheme and provides as good a title as any of the interests in 21.1.2 (a) or (b).

21.2 The ACD will take reasonable care to determine that title to the land or building is a good and marketable title.

21.3 The ACD must organise a valuation report in accordance with FCA Rules 5.6.18(4)R to 5.6.18(7)R.

21.4 The following limits apply in respect of land or buildings held as part of the property of the Fund:

21.4.1 not more than 15% in value of the Scheme Property of the Fund may consist of any one immovable unless the immovable has been included in the Scheme Property in which case the limit can be increased to 25%;

21.4.2 the income receivable from any one group in any accounting period must not be attributable to immovable comprising more than 25% or in the case of a government or public body more than 35% of the value of the Scheme Property;

21.4.3 not more than 20% in value of the Scheme Property is to consist of mortgaged immovable and any mortgage must not secure more than 100% of the value in FCA Rules 5.6.18R(4) (on the assumption the immovable is not mortgaged);

21.4.4 the aggregate value of (a) mortgages secured on immovable under paragraph 21.4.3; (b) borrowing of the Fund permitted under the FCA Rules; and (c) any transferable securities that are not approved securities must not at any time exceed 20% of the value of the Scheme Property;

- 21.4.5 not more than 50% in value of the Scheme Property is to consist of immovable which are unoccupied and non-income producing or in the course of substantial development, redevelopment or refurbishment;
- 21.4.6 no option may be granted to a third party to buy any immovable comprised in the Scheme Property unless the value of the relevant immovable is not more than 20% of the value of the Scheme Property together with, where appropriate, the value of investments in unregulated collective investment schemes and any transferable securities which are not approved securities.

21.5 There is no current intention for the Funds to invest in immovable property.

22 Cash and near cash

22.1 Cash and near cash must not be retained in the Scheme Property except to the extent that, where this may reasonably be regarded as necessary in order to enable:

- 22.1.1 the pursuit of the Fund's investment objectives; or
- 22.1.2 redemption of Shares; or
- 22.1.3 efficient management of the Fund in accordance with its investment objectives; or
- 22.1.4 other purposes which may reasonably be regarded as ancillary to the investment objective of the Fund.
- 22.1.5 during the period of the initial offer the Scheme Property may consist of cash and near cash without limitation.

23 General power to borrow

23.1 A Fund may, in accordance with this section and section 24 below, borrow money for the use of the Fund on terms that the borrowing is to be repayable out of the Scheme Property. This power to borrow is subject to the obligation of the Fund to comply with any restriction in the instrument constituting the Fund.

23.2 A Fund may borrow under paragraph 23.1 only from an Eligible Institution or an Approved Bank.

23.3 The authorised fund manager must ensure that any borrowing is on a temporary basis and that borrowings are not persistent, and for this purpose the authorised fund manager must have regard in particular to:

- (a) the duration of any period of borrowing; and
- (b) the number of occasions on which resort is had to borrowing in any period.

23.4 In addition to complying with 23.3 above, the authorised fund manager 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.

23.5 The depositary may only give its consent as required under 23.4 on such conditions as appear to the depositary appropriate to ensure that the borrowing does not cease to be on a temporary

basis only.

23.6 These borrowing restrictions do not apply to back-to-back borrowing where the ICVC, on the instructions of the ACD, borrows an amount of currency from an eligible institution or an approved bank and keeps an amount in another currency, at least equal to the borrowing for the time being on deposit with the lender (or his agent or nominee);

then this section applies as if the borrowed currency, and not the deposited currency, were part of the scheme property.

23.7 A Fund must not issue any debenture unless it acknowledges or creates a borrowing that complies with paragraph 23.1-23.5.

24 Borrowing limits

24.1 The ACD must ensure that the Fund's borrowing does not, on any day, exceed 10% of the value of the Scheme Property of the Fund.

24.2 This limit does not apply to "back to back" borrowing as described in section 22.6 above .

24.3 In this rule, 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 scheme property in the expectation that the sum will be repaid.

25 Restrictions on lending of money

25.1 None of the money in the Scheme Property of the Fund may be lent and, for the purposes of this prohibition, money is lent by the Company out of the Scheme Property of the Fund if it is paid to a person ("the payee") on the basis that it should be repaid, whether or not by the payee.

25.2 Acquiring a debenture is not lending for the purposes of paragraph 25.1 nor is the placing of money on deposit or in a current account.

25.3 Paragraph 25.1 does not prevent the Fund from providing an officer of the Fund with funds to meet expenditure to be incurred by him for the purposes of the Fund (or for the purposes of enabling him properly to perform his duties as an officer of the Fund) or from doing anything to enable an officer to avoid incurring such expenditure.

26 Restrictions on lending of property other than money

26.1 The Scheme Property of the Fund other than money must not be lent by way of deposit or otherwise.

26.2 Transactions permitted by paragraph 31 are not lending for the purposes of paragraph 26.1.

26.3 The scheme property must not be mortgaged.

26.4 Where transactions in derivatives or forward transactions are used for the account of the Fund in accordance with any of the rules in this chapter, nothing in this rule prevents the Fund or the depositary at the request of the Fund, from:

- (a) lending, depositing, pledging or charging scheme property for margin requirements; or

- (b) transferring scheme property under the terms of an agreement in relation to margin requirements, provided that the authorised fund manager reasonably considers that both the agreement and the margin arrangements made under it (including in relation to the level of margin) provide appropriate protection to Unit holders.

27 General power to accept or underwrite placings

27.1 Any power in Chapter 5 of the FCA Rules to invest in transferable securities may be used for the purpose of entering into transactions to which this section applies, subject to compliance with any restriction in the Instrument of Incorporation.

27.2 This section applies to any agreement or understanding:

27.2.1 which is an underwriting or sub-underwriting agreement; or

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

27.3 Paragraph 27.2 does not apply to:

27.3.1 an option; or

27.3.2 a purchase of a transferable security which confers a right:

(a) to subscribe for or acquire a transferable security; or

(b) to convert one transferable security into another.

27.3.3 The exposure of the Fund to agreements and understandings within paragraph 27.2 must, on any Business Day:

(a) be covered in accordance with the requirements of rule 5.3.3A R of the FCA Rules; and

(b) such that, if all possible obligations arising under them had immediately to be met in full, there would be no breach of any limit in Chapter 5 of the FCA Rules.

28 Guarantees and indemnities

28.1 The Fund or the Depositary for the account of the Fund must not provide any guarantee or indemnity in respect of the obligation of any person.

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

28.3 Paragraphs 28.1 and 28.2 do not apply to:

28.3.1 any indemnity or guarantee given for margin requirements where the derivatives or forward transactions are being used in accordance with the FCA Rules Chapter 5 in respect of the Fund:

28.3.2 any indemnity falling within the provisions of regulation 62(3) of the OEIC Regulations (Exemptions from liability to be void);

- 28.3.3 an indemnity (other than any provision in it which is void under regulation 62 of the OEIC Regulations) given to the Depositary against any liability incurred by it as a consequence of the safekeeping of any of the Scheme Property by it or by anyone retained by it to assist it to perform its function of the safekeeping of the Scheme Property; and
- 28.3.4 an indemnity given to a person winding up a scheme if the indemnity is given for the purposes of arrangements by which the whole or part of the property of that scheme becomes the first property of the Fund and the holders of units in that scheme become the first shareholders in the Fund.

29 Efficient Portfolio Management

29.1 The Company may also utilise the Scheme Property to enter into transactions for the purposes of efficient portfolio management (“EPM”). Permitted EPM transactions (excluding stocklending arrangements) are transactions in derivatives e.g. to hedge against price or currency fluctuations, dealt with or traded on an eligible derivatives market; off-exchange options or contracts for differences resembling options; or synthetic futures in certain circumstances. There is no limit on the amount or value of the property of the Scheme which may be used for EPM but the ACD must take reasonable care to ensure that the transaction is economically appropriate to the reduction of the relevant risks (whether in the price of investments, interest rates or exchange rates) or to the reduction of the relevant costs and/or to the generation of additional capital or income with an acceptably low level of risk. The exposure must be fully “covered” by cash and/or other property sufficient to meet any obligation to pay or deliver that could arise (see below).

29.2 Permitted transactions are those that the Company reasonably regards as economically appropriate to EPM, that is:

- 29.2.1 Transactions undertaken to reduce risk or cost in terms of fluctuations in prices, interest rates or exchange rates where the ACD reasonably believes that the transaction will diminish a risk or cost of a kind or level which it is sensible to reduce; or
- 29.2.2 Transactions for the generation of additional capital growth or income for the Fund by taking advantage of gains which the ACD reasonably believes are certain to be made (or certain, barring events which are not reasonably foreseeable) as a result of:
- (i) pricing imperfections in the market as regards the property which the Fund holds or may hold; or
 - (ii) receiving a premium for the writing of a covered call option or a covered put option on property of the Fund which the Company is willing to buy or sell at the exercise price, or
 - (iii) stocklending arrangements.

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

29.3 Transactions may take the form of “derivatives transactions” (that is, transactions in options, futures or contracts for differences) or forward currency transactions. A derivatives transaction must either be in a derivative which is traded or dealt in on an eligible derivatives market (and effected in accordance with the rules of that market), or be an off-exchange derivative which complies with the relevant conditions set out in the FCA Rules, or be a “synthetic future” (i.e. a composite derivative created out of two separate options). Forward currency transactions must

be entered into with counterparties who satisfy the FCA Rules. A permitted transaction may at any time be closed out.

29.4 Eligible derivatives markets are those which the ACD, after consultation with the Depositary, has decided are appropriate for the purpose of investment of or dealing in the property with regard to the relevant criteria set out in the FCA Rules and the formal guidance on eligible markets issued by the FCA as amended from time to time. The eligible derivatives markets for each Fund are set out in Appendix 2.

30 Cover

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

30.2 Where the FCA Rules permit an investment transaction to be entered into or an investment to be retained only if that investment transaction, or the retention, or other similar transactions, are covered:

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

30.2.2 no element of cover must be used more than once.

31 Stocklending

31.1 The Fund (or the Depositary at the request of the ACD) may enter into a repo contract or a stocklending arrangement of the kind described in section 263B of the Taxation of Chargeable Gains Act 1992 (without extension by section 263C). Briefly, stocklending may be described as an arrangement where the Company delivers securities in return for which it is agreed that the securities of the same kind and amount should be redelivered back at a later date and, at the time of delivery, the Company receives assets to cover against the risk of the future redelivery not being completed.

31.2 There is no current intention for the Funds to enter into stocklending arrangements.

APPENDIX 2

ELIGIBLE MARKETS

A market is eligible for the purposes of COLL if it is:

- (a) a market which is regulated, operates regularly, open to the public and in the United Kingdom or an EEA State: or
- (b) a regulated market as defined for the purposes of COLL; or
- (c) a market which the ACD, after consultation with and notification to the Depositary, has decided is appropriate for investment of, or dealing in, the scheme property of the Funds. Such markets must be included in a list in the prospectus, regulated, operate regularly, appropriately recognised by an overseas regulator, open to the public, adequately liquid and have adequate arrangements for unimpeded transmission of income and capital to or to the order of investors.

Each Fund may also deal through the securities markets and derivatives markets indicated below:

Eligible Securities Markets

| Country | Exchange |
|-------------|---|
| Australia | Australian Securities Exchange (ASX) |
| Brazil | B3 S.A (Brasil, Bolsa, Balcão) |
| Canada | Toronto Stock Exchange (TSX) |
| Chile | Santiago Exchange |
| Colombia | Colombia Stock Exchange |
| Hong Kong | Hong Kong Exchanges and Clearing (HKEx) |
| India | BSE Ltd |
| India | National Stock Exchange of India (XNSE) |
| Indonesia | Indonesia Stock Exchange (IDX) |
| Israel | Tel Aviv Stock Exchange (XTAE) |
| Japan | Tokyo Stock Exchange (TSE) |
| Malaysia | Stock Exchange of Malaysia |
| Mexico | Mexican Stock Exchange |
| New Zealand | New Zealand Exchange (NZX) |

| | |
|---------------|-----------------------------------|
| Singapore | Singapore Exchange (SGX) |
| South Africa | Johannesburg Stock Exchange (JSE) |
| South Korea | Korea Exchange (KRX) |
| Switzerland | SIX Swiss Exchange (XSWX) |
| Taiwan | Taiwan Stock Exchange (TWSE) |
| Thailand | The Stock Exchange of Thailand |
| Turkey | Borsa Istanbul |
| United States | New York Stock Exchange (NYSE) |
| United States | NYSE Arca Equities |
| United States | NYSE Bonds |
| United States | NYSE American (NYSE AMER) |
| United States | The NASDAQ Stock Market |

Eligible Derivatives Markets

| Country | Exchange |
|---------------|--|
| Hong Kong | Hong Kong Futures Exchange (HKFE) |
| Japan | Osaka Exchange (OSE) |
| Singapore | Singapore Exchange (SGX) |
| United States | Chicago Mercantile Exchange (CME) |
| United States | Chicago Board of Trade Exchange (CBOT) |
| United States | Chicago Board Options Exchange (CBOE) |
| United States | Commodities Exchange (COMEX) |
| United States | ICE Futures US (IFUS) |
| United States | New York Mercantile Exchange (NYMEX) |
| United States | NYSE Arca Options (ARCO) |
| United States | NYSE American Options (AMXO) |

In addition, up to 20% in value of the Funds may be invested in transferable securities which are not covered in paragraph 4.2 of Appendix 1.

APPENDIX 3

MANAGEMENT AND ADMINISTRATION

1. Authorised Corporate Director

The ACD is Courtiers Asset Management Limited, a private company incorporated with limited liability in England and Wales under the Companies Act 2006 on 13 January 2014. It has an issued and fully paid-up share capital of £499,999. The ACD's principal activity is acting as the authorised fund manager for collective investment schemes.

The ACD is the alternative investment fund manager ("AIFM") to the Company for the purposes of the AIFMD and is authorised by the FCA as an AIFM in accordance with the AIFMD Rules.

The ACD is authorised and regulated by the FCA.

The directors of the ACD are:

Gabriella May Evans – Executive Director, Head of Investment & Fund Accounting
Gary Derek Reynolds – Executive Director, Chief Investment Officer
Jacob Edward Reynolds – Executive Director, Quantitative Analyst & Data Scientist
James Stewart Shepperd – Chief Executive
Kevin Lee – Non-Executive Director
Stuart Charles Dyer – Non-Executive Director

The main business activities of the directors include the running of a portfolio management service for retail clients and/or other services similar to or connected to the business of the ACD.

The ACD is also the authorised fund manager of the following funds:

Courtiers UCITS Investment Funds ICVC.

ACD Agreement

The ACD has been appointed under an amended and restated agreement dated 22 July 2014 between the Company and the ACD ("the ACD Agreement") which amends and restates the agreement between the Company, Courtiers Investment Services Limited dated 12 February 2007, as novated from Courtiers Investment Services Limited to the ACD pursuant to the deed of novation with effect from 22 July 2014. Pursuant to the ACD Agreement, the ACD shall manage and administer the Company in accordance with the Regulations, the Instrument of Incorporation, the Prospectus and any relevant legislation or regulation applicable to the ACD. The ACD Agreement contains detailed provisions relating to the responsibilities of the ACD, including the management, investment and reinvestment of the property of each Fund (subject to the AIFMD Rules) in order to achieve the various investment objectives. Under the ACD Agreement, the ACD is also responsible for the proper valuation of the Scheme Property, the calculation of the price at which Shares in the Funds may be purchased or redeemed and the publication of the same. The ACD may delegate its management and administration functions to third parties, including its associates, subject to the AIFMD Rules. The ACD has delegated the calculation of the value of the Scheme Property, determination of the price of Shares and the publication of the same to JTC Fund Solutions (Guernsey) Limited.

Principal Duties and Activities of the ACD

The ACD is responsible for the portfolio management and risk management of the Funds in accordance with the AIFMD Rules.

The duties and powers of the ACD include the following:

- (a) the management of the investments of the Funds in conformity with their Investment Objectives as set out in this Prospectus;
- (b) the duty to ensure that regular valuations of the Scheme Property are carried out and to ensure that the Shares are correctly priced;
- (c) the making and revision of the Investment Objectives of the Funds;
- (d) keeping a daily record of Shares, including the type of such Shares, which the ACD has purchased or sold;
- (e) preparing a report and accounts of the Funds in respect of every accounting period;
- (f) the supervision and oversight of any delegate which it has appointed; and
- (g) taking all other action as necessary for the administration and management of the Funds

The ACD is entitled to receive initial and annual management charges as set out in the section of this Prospectus headed “Charges” at section 7.

The ACD Agreement may be terminated without compensation by either party giving to the other not less than 6 months written notice. The ACD shall not voluntarily terminate its appointment unless the termination is coterminous with the commencement of the appointment of a successor authorised corporate director of the Company.

The appointment of the ACD shall also be terminated forthwith by written notice of either party to the other party if the ACD goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation), or a receiver is appointed to the ACD or an administrative order is made in relation to the ACD under the Insolvency Act 1986.

To the extent permitted by the FCA Rules, the Company has agreed to indemnify the ACD against all losses and liabilities incurred in acting as the ACD of the Company other than where there has been negligence, wilful default or fraud on the part of the ACD.

ACD’s Remuneration Policy

The ACD has adopted a remuneration policy in accordance with the requirements of the UCITS Directive (the “Remuneration Policy”). The Remuneration Policy is designed to ensure that the ACD’s remuneration practices:

- are consistent with and promote sound and effective risk management;
- do not encourage risk taking that is inconsistent with the risk profiles of the Funds, the Instrument of Incorporation or this Prospectus;
- do not impair the ACD’s compliance with its duty to act in the best interests of the Company and the Funds;

- include fixed and variable elements of remuneration, including salaries and discretionary pension benefits.

The Remuneration Policy will apply to “Remuneration Code Staff”, being (in summary) those persons whose professional activities have a material impact on the risk profile of the ACD and the Company, including but not limited to, senior management and risk takers (such as, for example, portfolio managers).

Details of the Remuneration Policy, including a description of how remuneration and benefits are calculated, are available on the following website: www.courtiers.co.uk.

A paper copy of the information available on the website will also be available (free of charge) on request from the ACD.

2.0 The Registrar

The Company has appointed Courtiers Investment Services Limited under the Registrars and FATCA Services Agreement effective from 22 July 2014 to act as the Registrar to establish and maintain on behalf of the Company a Register of Holders of Shares in the Funds and provide certain services to assist the Company and the Funds to comply with its obligations under FATCA.

3.0 The Depositary

Introduction and key duties

Under the terms of a Depositary Agreement, Citibank UK Limited (the “Depositary”) has been appointed as depositary of the Funds’ assets and the assets of the Funds have been entrusted to the Depositary for safekeeping.

The key duties of the Depositary consist of:

- (i) cash monitoring and verifying the Funds’ cash flows;
- (ii) safekeeping of the Scheme Property;
- (iii) ensuring that the sale, issue, re-purchase, redemption, cancellation and valuation of Shares are carried out in accordance with the Instrument of Incorporation constituting the Funds, the Prospectus, and applicable law, rules and regulations
- (iv) ensuring that in transactions involving Scheme Property any consideration is remitted to the Funds within the usual time limits;
- (v) ensuring that the Funds’ income is applied in accordance with Instrument of Incorporation constituting the Funds, the Prospectus, applicable law, rules and regulations; and
- (vi) carrying out instructions from the ACD unless they conflict with the Instrument of Incorporation, the Prospectus, or applicable law, rules and regulations.

Information about the Depositary

The Depositary is Citibank UK Limited. The registered office and head office of the Depositary is Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB. The Depositary is a private limited company incorporated in England with registered number 11283101.

The Depositary is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

The Depositary's ultimate holding company is Citigroup Inc., accompany which is incorporated in New York, USA.

Terms of appointment

The Company, the ACD and the Depositary are all parties to a legal agreement appointing the depositary dated 22 July 2014 as novated on 1 October 2021 (the Depositary Agreement).

The Depositary Agreement may be terminated by not less than 90 days' written notice provided that no such notice shall take effect until the appointment of a successor to the Depositary.

The Depositary Agreement provides indemnities to the Depositary from the Company against costs, charges, losses and liabilities incurred by it (or its associates) in the proper execution, or in the purported proper execution, or exercise (reasonably and in good faith) of its duties, powers, authorities and discretions of the Company, except where it has failed to exercise due care and diligence).

The Depositary is entitled to receive remuneration out of the Scheme Property for its services, as explained in Section 8 Depositary's Remuneration and Expenses paragraph 8.1.1.

Shareholders may request an up to date statement regarding any of the information set out above from the ACD.

Liability of the Depositary

As a general rule the Depositary is liable for any losses suffered as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations except that it will not be liable for any loss where:

- (i) the event which has led to the loss is not the result of any act or omission of the Depositary (or a third party to whom safe custody has been delegated);
- (ii) the Depositary could not have reasonably prevented the occurrence of the event which led to the loss despite adopting all precautions incumbent on a diligent depositary as reflected in common industry practice; and
- (iii) despite rigorous and comprehensive due diligence, the Depositary could not have prevented the loss.

However, in the case of loss of a financial instrument by the Depositary, or by a third party to whom safe custody has been delegated, the Depositary is under an obligation to return a financial instrument of identical type or corresponding amount without undue delay unless it can prove that the loss arose as a result of an external event beyond the Depositary's reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

Delegation of safekeeping function

Under the terms of the Depositary Agreement, the Depositary has the power to delegate its safekeeping functions.

As a general rule, whenever the Depositary delegates any of its custody functions to a delegate, the Depositary will remain liable for any losses suffered as a result of an act or omission of the delegate as if such loss had arisen as a result of an act or omission of the

Depository. The use of securities settlement systems, does not constitute a delegation by the Depository of its functions.

Conflicts of interest

Actual or potential conflicts of interest may also arise between the Company, the Shareholders or the ACD on the one hand and the Depository on the other hand.

Non-exclusive services

The Depository may act as the depository of other investment funds. The Depository may have other clients whose interests may conflict with those of the Company, the Shareholders or the ACD.

Affiliates

From time to time conflicts may arise from the appointment by the Depository of any of its delegates.

The Depository will ensure that any such delegates or sub-delegates who are its affiliates are appointed on terms which are not materially less favourable to the Company than if the conflict or potential conflict had not existed. Citibank NA and any other delegates are required to manage any such conflict having regard to the FCA Handbook and its duties to the Depository and the ACD.

Conflicting commercial interests

The Depository (and any of its affiliates) may effect, and make a profit from, transactions in which the Depository (or its affiliates, or another client of the Depository or its affiliates) has (directly or indirectly) a material interest or a relationship of any description and which involves or may involve a potential conflict with the Depository's duty to the Company.

This includes circumstances in which the Depository or any of its affiliates or connected persons: acts as market maker in the investments of the Company; provides broking services to the Company and/or otherwise provides services to the issuer of the investments of the Company; acts in the same transaction as the agent for more than one client; has a material interest in the issue of the investments of the Company; or earns profits from or has a financial or business interest in any of these activities.

Management conflicts

The Depository 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 Depository has a functionally and hierarchically separated the performance of its depository 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 Depository issues to be properly identified, managed and monitored.

GDPR

The Depository's Markets and Securities Services Privacy Statement details the collection, use and sharing of Shareholders' personal information by the Depository in connection with Shareholders' investment in the Company.

The Depository's Markets and Securities Service Privacy Statement may be updated from time to time and readers should confirm that they hold the latest version which can be found

https://www.citibank.com/icg/global_markets/docs/Markets_and_Securities_Services_Privacy_Statement_ENG_21_12_20.pdf.

Any Shareholder who provides the ACD and its agents with personal information about another individual (such as a joint investor), must show the Depository's Markets and Securities Services Privacy Statement to those individuals.

4.0 The Administrator

The Company has appointed JTC Fund Solutions (Guernsey) Limited (the "Administrator") to provide fund administration services to the Company pursuant to an administration agreement between the Company, the ACD and the Administrator dated as of 1 October 2014 (the "Administration Agreement"). The principal activities of the Administrator are to provide fund accounting services and to calculate the value of the Scheme Property and to determine the price of Shares in accordance with this Prospectus and the ACD's valuation policy as provided by the ACD to the Administrator and to publish the same.

The Administration Agreement may be terminated on 6 months' written notice by one party to the other parties. The Administrator shall be liable for any liabilities, claims, obligations, losses, damages, fines, penalties, judgements, costs or expenses (including reasonable legal costs and expenses) of any kind or nature that may be imposed on or incurred by any person ("Loss") incurred or suffered by the ACD and/or the Company by reason of the Administrator's wilful default, fraud, negligence or breach of the Administration Agreement but the Administrator shall not in any event be liable for indirect, special or consequential Loss of any kind whatsoever or for any Loss of profits, revenue, goodwill or anticipated savings. The Company and the ACD jointly and severally agree to indemnify and hold harmless the Administrator, its directors, officers, employees and agents against any Loss, arising from the Administrator's reliance on information provided to it by or on behalf of the ACD or the Company in certain circumstances, except to the extent that they are incurred as a result of the negligence, fraud, wilful default or breach of this Agreement by the Administrator or any of its directors, officers, employees and agents.

5.0 The Auditor

The auditor of the Company is Ernst & Young LLP (E&Y).

The ACD has entered into an engagement letter with the Auditor whereby the Auditor agrees to provide annual audit services to the Funds. The Auditor will also audit the Company and the Company's financial statements in accordance with Schedule 5 of the Open-ended Investment Companies Regulations 2001 and COLL, the Statement of Recommended Practice relating to Authorised Funds issued by the Investment Management Association (now known as the Investment Association), the Instrument of Incorporation and the Prospectus.

APPENDIX 4

SHARE CLASSES

Valuation Point: 22:00 (UK time)

Frequency of Dealing: Daily

Telephone No. 01491 578368

Price Publication: Daily on website www.courtiers.co.uk.

| | |
|---|------------------------------|
| Name of Share Class | A |
| Classes of Shares | Accumulation |
| Currency of Denomination | Pounds sterling |
| Minimum Investment | £1,000 |
| Minimum Subsequent Investment | £1,000 |
| Minimum Redemption | £1,000 |
| Minimum Holding | £1,000 |
| ACD's Initial Charge | None |
| Annual Management Charge | 1.5% |
| Ongoing Charges Figure* | |
| Courtiers Total Return Cautious Risk Fund | 1.65% |
| Courtiers Total Return Balanced Risk Fund | 1.65% |
| Courtiers Total Return Growth Fund | 1.66% |
| Charged to | Income |
| Annual Distribution Allocation Date | 30 November |
| Interim Distribution Allocation Date | 31 May |
| ISA Qualifying | Yes |
| Grouping Periods for Income Equalisation | No Equalisation in operation |

The ACD may increase, reduce or waive the minimum initial and subsequent investment amounts, the minimum withdrawal and holding amounts and (subject to 7.2 and 7.8) the Initial and Redemption Charges at its absolute discretion in any particular case or cases.

*The figures quoted have been taken from the Courtiers ICVC Annual Report and Accounts period 1 October 2021 to 30 September 2022.

APPENDIX 5

List of the individual states, local authorities or public international bodies issuing or guaranteeing the securities in which the Company may invest up to 100% of the Scheme Property of each Fund. These are the only individual states, local authorities or public international bodies in which the Company may invest more than 35% of the assets of each Fund:

the government of the United Kingdom; or

the Scottish Administration; or

the Executive Committee of the Northern Ireland Assembly; or

the National Assembly for Wales; or

the government of any of the following countries or territories outside the United Kingdom:

Austria, Belgium, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Slovakia, Slovenia, Spain and Sweden;

Australia, Canada, Japan, New Zealand, Switzerland and the United States of America.

APPENDIX 6

HISTORICAL PERFORMANCE OF THE FUNDS

Performance (total return with initial charges excluded but including annual charges).

| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|--------|--------|--------|-------|--------|---------|
| Courtiers Total Return Cautious Risk Fund | 4.75% | -2.66% | 10.85% | 5.10% | 10.45% | -3.30% |
| <i>Investment Association Mixed Investment 20-60% shares sector</i> | 7.25% | -5.13% | 12.07% | 3.57% | 7.57% | -9.58% |
| Courtiers Total Return Balanced Risk Fund | 8.31% | -3.57% | 16.52% | 6.93% | 14.48% | -5.74% |
| <i>Investment Association Mixed Investment 40-85% shares sector</i> | 10.26% | -6.13% | 15.94% | 5.43% | 11.06% | -10.08% |
| Courtiers Total Return Growth Fund | 11.63% | -5.65% | 23.19% | 7.44% | 19.03% | -8.79% |
| <i>Investment Association Flexible Investment sector</i> | 11.40% | -6.83% | 15.64% | 6.73% | 11.54% | -10.06% |

Source: Morningstar. Performance shown is net of UK tax, income reinvested. Class A shares.

The price of stocks, shares and funds, and the income from them, may fall as well as rise. Investors may not get back the full amount invested. Past performance is not a guide to future performance.

APPENDIX 7

LIST OF DEPOSITARY'S SUB-DELEGATES

| Country | Sub-custodian |
|--|--|
| Argentina | The branch of Citibank NA in the Republic of Argentina |
| Australia | Citigroup Pty. Limited |
| Austria | Citibank Europe plc Dublin |
| Bahrain | Citibank, N.A., Bahrain |
| Bangladesh | Citibank, N.A., Bangladesh |
| Belgium | Citibank UK Limited |
| Benin | Standard Chartered Bank, Cote d'Ivoire |
| Bermuda | The Hong Kong & Shanghai Banking Corporation Limited acting through its agent, HSBC Bank Bermuda Limited |
| Bosnia-Herzegovina (Sarajevo) | UniCredit Bank d.d. |
| Bosnia-Herzegovina: Srpska (Banja Luka) | UniCredit Bank d.d. |
| Botswana | Standard Chartered Bank of Botswana Limited |
| Brazil | Citibank, N.A., Brazilian Branch |
| Bulgaria | Citibank Europe plc, Bulgaria Branch |
| Burkina Faso | Standard Chartered Bank, Cote D'ivoire |
| Canada | Citibank, Canada |
| Chile | Banco de Chile |
| China B Shanghai | Citibank, N.A., Hong Kong Branch (For China B shares) |
| China B Shenzhen | Citibank, N.A., Hong Kong Branch (For China B shares) |
| China A Shares | Citibank China Co Ltd (China A shares) |
| China Hong Kong Stock Connect | Citibank, N.A., Hong Kong Branch |
| Clearstream ICSD | ICSD |
| Colombia | Cititrust Colombia S.A. Sociedad Fiduciaria |
| Costa Rica | Banco Nacional de Costa Rica |
| Croatia | Privedna Banka Zagreb d.d. |
| Cyprus | Citibank Europe plc, Greece Branch |

| Country | Sub-custodian |
|-----------------------|--|
| Czech Republic | Citibank Europe plc, organizacni slozka |
| Denmark | Citibank Europe plc, Dublin |
| Egypt | Citibank, N.A., Cairo Branch |
| Estonia | Swedbank AS |
| Euroclear | ICSD |
| Finland | Nordea Bank AB (publ), Finnish Branch |
| France | Citibank Europe plc, UK branch |
| Georgia | JSC Bank of Georgia |
| Germany | Citibank Europe plc (CEP) |
| Ghana | Standard Chartered Bank of Ghana Limited |
| Greece | Citibank Europe plc, Greece Branch |
| Guinea Bissau | Standard Chartered Bank Cote D'ivoire |
| Hong Kong | Citibank N.A. Hong Kong |
| Hungary | Citibank Europe plc, Hungarian Branch Office |
| Iceland | Citibank is a direct member of Clearstream Banking, which is an ICSD |
| India | Citibank N.A., Mumbai Branch |
| Indonesia | Citibank, N.A., Jakarta Branch |
| Ireland | Citibank N.A., London Branch |
| Israel | Citibank, N.A., Israel Branch |
| Italy | Citibank, N.A., Milan Branch |
| ivory coast | Standard Chartered Bank, Cote d'Ivoire |
| Jamaica | Scotia Investments Jamaica Limited |
| Japan | Citibank N.A., Tokyo Branch |
| Jordan | Standard Chartered Bank Jordan Branch |
| Kazakhstan | Citibank Kazakhstan JSC |
| Kenya | Standard Chartered Bank Kenya Limited |
| Korea (South) | Citibank Korea Inc. |
| Kuwait | Citibank N.A. Kuwait Branch |
| Latvia | Swedbank AS, based in Estonia and acting through its Latvian branch, Swedbank AS |

| Country | Sub-custodian |
|---------------------|--|
| Lebanon | BlomInvest Bank S.A.L. |
| Lithuania | Swedbank AS, based in Estonia and acting through its Lithuanian branch "Swedbank" AB |
| Luxembourg | Only offered through the ICSDs - Euroclear & Clearstream |
| Macedonia | Raiffeisen Bank International AG |
| Malaysia | Citibank Berhad |
| Mali | Standard Chartered Bank Cote d'Ivoire |
| Malta | Citibank is a direct member of Clearstream Banking, which is an ICSD |
| Mauritius | The Hong Kong & Shanghai Banking Corporation Limited |
| Mexico | Banco Nacional de Mexico |
| Morocco | Citibank Maghreb |
| Namibia | Standard Bank of South Africa Limited acting through its agent, Standard Bank Namibia Limited |
| Netherlands | Citibank Europe plc, UK Branch |
| New Zealand | Citibank, N.A., New Zealand Branch |
| Niger | Standard Chartered Bank Cote d'Ivoire |
| Nigeria | Citibank Nigeria Limited |
| Norway | Citibank Europe plc |
| Oman | The Hong Kong & Shanghai Banking Corporation Limited acting through its agent, HSBC Bank Oman S.A.O.G |
| Pakistan | Citibank, N.A. Karachi |
| Panama | Citibank N.A. Panama Branch |
| Peru | Citibank del Peru S.A. |
| Philippines | Citibank, N.A., Manila Branch |
| Poland | Bank Handlowy w Warszawie S.A. |
| Portugal | Citibank Europe plc, Dublin |
| Qatar | The Hong Kong & Shanghai Banking Corporation Limited acting through its agent, HSBC Bank Middle East Limited |
| Romania | Citibank Europe plc, Dublin - Romania Branch |
| Russia | AO Citibank |
| Saudi Arabia | The Hong Kong & Shanghai Banking Corporation Limited acting through its agent, HSBC Saudi Arabia Ltd. |

| Country | Sub-custodian |
|---|--|
| Senegal | Standard Chartered Bank Cote d'Ivoire |
| Serbia | UniCredit Bank Srbija A.D. |
| Singapore | Citibank, N.A., Singapore Branch |
| Slovak Republic | Citibank Europe plc Pobočka Zahranicnej Banky |
| Slovenia | UniCredit Banka Slovenia d.d. Ljubljana |
| South Africa | Citibank N.A. South Africa Branch |
| Spain | Citibank Europe plc, Sucursal en Espana |
| Sri Lanka | Citibank N.A. Colombo Branch |
| Sweden | Citibank Europe plc, Sweden Branch |
| Switzerland | Citibank N.A. London Branch |
| Taiwan | Citibank Taiwan Limited |
| Tanzania | Standard Bank of South Africa acting through its affiliate Stanbic Bank Tanzania Ltd |
| Togo | Standard Chartered Bank Cote d'Ivoire |
| Thailand | Citibank, N.A., Bangkok Branch |
| Tunisia | Union Internationale de Banques |
| Turkey | Citibank, A.S. |
| Uganda | Standard Chartered Bank of Uganda Limited |
| Ukraine | JSC Citibank |
| United Arab Emirates ADX & DFM | Citibank N.A. UAE |
| United Arab Emirates NASDAQ Dubai | Citibank N.A. UAE |
| United Kingdom | Citibank N.A. London Branch |
| United States | Citibank N.A. New York offices |
| Uruguay | Banco Itau Uruguay S.A. |
| Venezuela | Citibank, N.A., Venezuela Branch |
| Vietnam | Citibank N.A. Hanoi Branch |
| Zambia | Standard Chartered Bank Zambia plc |
| Zimbabwe | Standard Bank of South Africa Ltd. acting through its affiliate Stanbic Bank Zimbabwe Ltd. |