

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

Carne Global Fund Managers (UK) Limited, the authorised corporate director of the Company, is the person 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 contained herein does not contain any untrue or misleading statement or omit any matters required by the Collective Investment Schemes Sourcebook to be included in it. Carne Global Fund Managers (UK) Limited accepts responsibility accordingly.

PROSPECTUS
OF
CG MORNINGSTAR MULTI ASSET FUNDS ICVC
(An open-ended investment company
incorporated with limited liability and
registered in England and Wales
under registered number IC034285)

This document constitutes the Prospectus for CG Morningstar Multi Asset Funds ICVC which has been prepared in accordance with the Collective Investment Schemes Sourcebook.

This Prospectus is dated, and is valid as at, 20 November 2020.

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

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Important Information

No person has been authorised by the Company or the ACD to give any information or to 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 upon as having been made by the Company or the ACD. 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 offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

The Shares have not been and will not be registered in the United States of America under any applicable legislation. They may not be offered or sold in the United States of America, any state of the United States of America or in its territories and possessions or offered or sold to US persons. The Company and the ACD have not been and will not be registered in the United States of America under any applicable legislation.

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

The provisions of the Instrument of Incorporation are binding on each of the Shareholders and a copy of the Instrument of Incorporation is available on request from Carne Global Fund Managers (UK) Limited.

This Prospectus has been issued for the purpose of section 21 of the Financial Services and Markets Act 2000 by Carne Global Fund Managers (UK) Limited.

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

This Prospectus is based on information, law and practice at the date hereof. The Company and the ACD cannot be bound by an out of date Prospectus when a new version has been issued and investors should check with Carne Global Fund Managers (UK) Limited that this is the most recently published prospectus.

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

1. **DEFINITIONS**

"ACD"	Carne Global Fund Managers (UK) Limited, the authorised corporate director of the Company.
"ACD Agreement"	an agreement between the Company and the ACD.
"Approved Bank"	(in relation to a bank account opened by the Company): <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(iv) a building society; or(v) 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; or(c) a bank supervised by the South African Reserve Bank.
"Administrator"	The Bank of New York Mellon (International) Limited, or such other entity as is appointed to act as Administrator to the Company from time to time.
"Associate"	any other person whose business or domestic relationship with the ACD or the ACD's Associate might reasonably be expected to give rise to a community of interest between them which may involve a conflict of interest in dealings with third parties.
"Auditor"	Deloitte LLP, or such other entity as is appointed to act as auditor to the Company from time to time.
"Business Day"	a day on which the London Stock Exchange is open. If the London Stock Exchange is closed as a

result of a holiday or for any other reason, or there is a holiday elsewhere or other reason which impedes the calculation of the fair market value of the Sub-Fund's portfolio of securities or a significant portion thereof, the ACD may decide that any Business Day shall not be construed as such.

"Class" or "Classes"	in relation to Shares, means (according to the context) all of the Shares related to a single Sub-Fund or a particular class or classes of Share related to a single Sub-Fund.
"COLL"	refers to the appropriate chapter or rule in the COLL Sourcebook.
"the COLL Sourcebook"	the Collective Investment Schemes Sourcebook issued by the FCA as amended from time to time.
"Company"	CG Morningstar Multi Asset Funds ICVC.
"Conversion"	the exchange of Shares in one Class for Shares of another Class in the same Sub-Fund and the act of so exchanging and "Convert" shall be construed accordingly.
"Dealing Day"	Monday to Friday where these days are Business Days.
"Depository"	The Bank of New York Mellon (International) Limited, or such other entity as is appointed to act as Depository.
"Director" or "Directors"	the directors of the Company from time to time (including the ACD).
"EEA State"	a member state of the European Union and any other state which is within the European Economic Area.
"Efficient Portfolio Management" or "EPM"	for the purposes of this Prospectus, an investment technique where derivatives are used for one or more of the following purposes: reduction of risk, reduction of costs or the generation of additional capital or income for the Company with a risk level which is consistent with the risk profile of the Company and the risk diversification rules laid down in COLL.
"Eligible Institution"	one of certain eligible institutions as defined in the glossary of definitions to the FCA Handbook.
"the FCA"	the Financial Conduct Authority or any other regulatory body which may assume its regulatory responsibilities from time to time.
"the FCA Handbook"	the FCA Handbook of Rules and Guidance, as amended from time to time.

“the Financial Services Register” the public record, as required by section 347 of the Financial Services and Markets Act 2000 (The public record) of every:

- (a) authorised person;
- (b) AUT;
- (c) ICVC;
- (d) ACS;
- (e) recognised scheme;
- (f) recognised investment exchange;
- (g) individual to whom a prohibition order relates;
- (h) approved person; and
- (i) person within such other class (if any) as the FCA may determine;

except as provided by any transitional provisions.

“Fund Accountant”

The Bank of New York Mellon (International) Limited, or such other entity as is appointed to act as Fund Accountant to the Company from time to time.

“Home State”

- (1) (in relation to a credit institution) the EEA State in which the credit institution has been authorised in accordance with the Banking Consolidation Directive.
- (2) (in relation to an investment firm):
 - (a) where the investment firm is a natural person, the EEA State in which its head office is situated;
 - (b) where the investment firm is a legal person, the EEA State in which its registered office is situated or, if under its national law it has no registered office, the EEA State in which its head office is situated.
- (3) (in relation to an insurer with an EEA right) the EEA State in which the registered office of the insurer is situated.
- (4) (in relation to a market) the EEA State in which the registered office of the body which provides trading facilities is situated or, if under its national law it has no registered office, the EEA State in which that body’s head office is situated.
- (5) (in relation to a Treaty firm) the EEA State in which its head office is situated, in

accordance with paragraph 1 of Schedule 4 to the Financial Services and Markets Act 2000 (Treaty rights).

"ICVC"	Investment Company with Variable Capital.
"Instrument of Incorporation"	the instrument of incorporation of the Company as amended from time to time.
"Investment Manager"	Morningstar Investment Management Europe Limited, the investment manager to the ACD in respect of the Company.
"IOSCO"	the International Organisation of Securities Commissions.
"Key Investor Information Document"	the Company publishes a Key Investor Information Document (a "KIID") for each Share Class of each Sub-Fund which contains information to help investors understand the nature and the risks of investing in the Sub-Fund. A KIID must be provided to investors prior to subscribing for Shares so they can make an informed decision about whether to invest.
"Net Asset Value" or "NAV"	the value of the Scheme Property of the Company or of any Sub-Fund (as the context may require) less the liabilities of the Company (or of the Sub-Fund concerned) as calculated in accordance with the Instrument of Incorporation.
"OEIC Regulations"	the Open-Ended Investment Companies Regulations 2001 as amended or re-enacted from time to time.
"Ongoing Charges Figure"	a single percentage figure used to show the total annual operating costs taken from the assets of the relevant Sub-Fund over the year, and based on the figures for the preceding year, including the Annual Management Charge, registration fees, the Depositary's periodic charge, custody fees and the Auditor's fees, but excluding any initial charge, redemption charge, brokerage charges, taxes or other dealing costs incurred in respect of the Sub-Fund's scheme property.
"OTC"	Over-the-counter derivative: a derivative transaction which is not traded on an investment exchange.
"Register"	the register of Shareholders of the Company.
"Registrar"	The Bank of New York Mellon (International) Limited, or such other entity as is appointed to act as Registrar to the Company from time to time.
"Regulated Activities Order"	the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544).

"Regulations"	the OEIC Regulations and the FCA Handbook (including the COLL Sourcebook) and the UCITS Directive.
"Scheme Property"	the scheme property of the Company or a Sub-Fund (as appropriate) required under the COLL Sourcebook to be given for safekeeping to the Depository.
"Share" or "Shares"	a share or shares in the Company (including larger denomination shares, and smaller denomination shares equivalent to one thousandth of a larger denomination share).
"Shareholder"	a holder of registered Shares in the Company.
"Sub-Fund" or "Sub-Funds"	a sub-fund of the Company (being part of the Scheme Property of the Company which is pooled separately) to which specific assets and liabilities of the Company may be allocated and which is invested in accordance with the investment objective applicable to such sub-fund.
"Switch"	the exchange of Shares of one Class in a Sub-Fund for Shares in a Class of a different Sub-Fund and the act of so exchanging and "Switching" shall be construed accordingly.
"The International Compliance Regulations"	Tax The International Tax Compliance Regulations – means SI 878/2015 implementing obligations arising under the following agreements and arrangements: European Union Council Directive 2011/16/EU (sometimes known as "the DAC"); the Multilateral Competent Authority Agreement on the Automatic exchange of Financial Account Information signed by the government of the UK on 29 th October 2014 in relation to agreements with various jurisdictions to improve international tax compliance based on the standard for automatic exchange of financial account information developed by the Organisation for Economic Co-Operation and Development (sometimes known as "the CRS"); and the agreement reached between the government of the UK and the government of the USA to improve tax compliance (sometimes known as "the FATCA Agreement")
"UCITS Directive"	The Council Directive of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (No 2009/65/EC), as amended.
"UCITS Scheme"	a scheme constituted in accordance with the UCITS Directive (a European Directive relating to undertakings for collective investment in transferable securities which has been adopted in the UK).
"US" or "United States"	the United States of America (including the States and the District of Columbia) and any of its

territories, possessions and other areas subject to its jurisdiction.

“US Persons”

a person who falls within the definition of “US Person” as defined in rule 902 of regulation S of the United States Securities Act 1933 and shall include additionally any person that is not a “Non-United States Person” within the meaning of United States Commodity Futures Trading Commission Regulation 4.7.

“Valuation Point”

the point on a Dealing Day whether on a periodic basis or for a particular valuation, at which the ACD carries out a valuation of the Scheme Property for the Company or a Sub-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 current Valuation Point is 12.00 noon London time on each Dealing Day, with the exception of a bank holiday in England and Wales, or the last Business Day prior to those days annually where the valuation may be carried out at a time agreed in advance between the ACD and the Depositary.

“VAT”

Value Added Tax.

2. **DETAILS OF THE COMPANY**

2.1 **General Information**

2.1.1 **General**

CG Morningstar Multi Asset Funds ICVC (the Company) is an investment company with variable capital incorporated in England and Wales under registered number IC034285 and authorised by the Financial Conduct Authority with effect from 13 November 2020. Please note that approval by the FCA in this context does not in any way indicate or suggest endorsement or approval of the Company as an investment.

The FCA's Product Reference Number ("PRN") for the Company is to be provided. The product reference number of each Sub-Fund is set out in Appendix I. The Company has an unlimited duration.

Shareholders are not liable for the debts of the Company. A Shareholder is not liable to make any further payment to the Company after they have paid the price on purchase of the Shares.

The ACD is also the manager of certain authorised other open-ended investment companies details of which are set out in Appendix IV.

2.1.2 **Head Office**

The head office of the Company is at 2nd Floor, 107 Cheapside, London EC2V 6DN.

2.1.3 **Address for Service**

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

2.1.4 **Base Currency**

The base currency of the Company and each Sub-Fund is Pounds Sterling.

2.1.5 **Share Capital**

Maximum £100,000,000,000

Minimum £1

Shares have no par value. The share capital of the Company at all times equals the sum of the Net Asset Values of each of the Sub-Funds.

Shares in the Company may be marketed in other Member States and in countries outside the European Union and European Economic Area, subject to the Regulations, and any regulatory constraints in those countries, if the ACD so decides.

Each of the Sub-Funds of the Company is designed and managed to support longer-term investment and frequent trading is discouraged. Short-term or excessive trading into and out of a Sub-Fund may harm performance by disrupting portfolio management strategies and by increasing expenses. The ACD may at its discretion refuse to accept applications for, or switching of, Shares, especially where transactions are deemed disruptive, particularly from possible market timers or investors who, in its opinion, have a pattern of short-term or excessive trading or whose trading has been or may be disruptive to a Sub-Fund. For these purposes, the ACD may consider an investor's trading history in the Sub-Funds or other Carne Global Fund Managers (UK) Limited funds and accounts under common ownership or control.

2.2 **The structure of the Company**

2.2.1 **The Sub-Funds**

The Company is structured as an umbrella company, in that different Sub-Funds may be established from time to time by the ACD with the approval of the FCA. On the introduction of any new Sub-Fund or Class, a revised prospectus will be prepared setting out the relevant details of each Sub-Fund or Class.

The Company is a UCITS scheme for the purposes of the Regulations.

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

Each Sub-Fund will generally invest in "approved securities", which are transferable securities which are admitted to, or dealt in, on an eligible market as defined for the purposes of the COLL Sourcebook. The eligible securities markets (in addition to those established in EEA member states) and eligible derivatives markets for the Sub-Funds are as set out in Appendix II. A detailed statement of the general investment and borrowing restrictions in respect of each type of Sub-Fund is set out in Appendix III.

The Sub-Funds are segregated portfolios of assets and, accordingly, the assets of a Sub-Fund belong exclusively to that Sub-Fund and shall not be used or made available to discharge (directly or indirectly) the liabilities of, or claims against, any other person or body, including the Company and any other Sub-Fund and shall not be available for any such purpose.

Subject to the above, each Sub-Fund will be charged with the liabilities, expenses, costs and charges of the Company attributable to that Sub-Fund, and within each Sub-Fund charges will be allocated between Classes in accordance with the terms of issue of Shares of those Classes. Any assets, liabilities, expenses, costs or charges not attributable to a particular Sub-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 Sub-Funds.

Please also see paragraph 5.6 below "Liabilities of the Company and the Sub-Funds".

2.2.2 **Classes of Share within the Sub-Funds**

Shares will be issued in larger and smaller denominations. There are 1,000 smaller denomination Shares to each larger denomination Share. Smaller denomination Shares represent what, in other terms, might be called fractions of a larger Share and have proportionate rights.

Shares have no par value and, within each Class in each Sub-Fund subject to their denomination, are entitled to participate equally in the profits arising in respect of, and in the proceeds of, the liquidation of the Company or termination of a relevant Sub-Fund. Shares do not carry preferential or pre-emptive rights to acquire further Shares.

Further Classes of Share may be established from time to time by the ACD with the agreement of the Depositary and in accordance with the Instrument of Incorporation. On the introduction of any new Sub-Fund or Class, either a revised prospectus or a supplemental prospectus will be prepared, setting out the details of each Sub-Fund or Class.

The currency in which each new Class of Shares will be denominated will be determined at the date of creation and set out in the Prospectus issued in respect of the new Class of Shares.

The net proceeds from subscriptions to a Sub-Fund will be invested in the specific pool of assets constituting that Sub-Fund. The Company will maintain for each current Sub-Fund a separate pool of assets, each invested for the exclusive benefit of the relevant Sub-Fund.

To the extent that any Scheme Property, or any assets to be received as part of the Scheme Property, or any costs, charges or expenses to be paid out of the Scheme Property, are not attributable to one Sub-Fund only, the ACD will allocate such Scheme Property, assets, costs, charges or expenses between Sub-Funds in a manner which is fair to all Shareholders of the Company.

Details of the Classes of Share presently available for each Sub-Fund, including details of their criteria for subscription and fee structure, are set out in Appendix I.

The Instrument of Incorporation allows income and accumulation Shares to be issued.

Holders of income Shares are entitled to be paid the distributable income attributed to such Shares on any relevant interim and annual allocation dates.

Holders of accumulation Shares are not entitled to be paid the income attributed to such Shares, but that income is automatically transferred to (and retained as part of) the capital assets of the relevant Sub-Fund on the relevant interim and/or annual accounting dates. This is reflected in the price of an accumulation Share.

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

Shareholders are entitled (subject to certain restrictions) to Switch all or part of their Shares in a Class or a Sub-Fund for Shares of another Class within the same Sub-Fund or for Shares of the same or another Class within a different Sub-Fund of the Company. Details of this switching facility and the restrictions are set out in paragraph 3.4 "Conversion and Switching".

2.2.3 **Currency Class Hedging**

In the future the ACD may choose to introduce classes of shares that may be "hedged". This means that in relation to such classes of shares the Investment Manager can use hedging transactions to reduce risk by limiting the impact of exchange rate movements between the base currency of the Company (which is Sterling) and the currency in which the hedged classes of shares are denominated.

3. **BUYING, REDEEMING AND SWITCHING SHARES**

The dealing office of the ACD is normally open from 9.00 a.m. to 5.00 p.m. (London time) on each Business Day to receive postal requests for the purchase, sale and switching of Shares. The ACD may vary these times at its discretion. Requests to deal in Shares may also be made by telephone on each Business Day (at the ACD's discretion) between 9.00 a.m. and 5.00 p.m. (London time) directly to the office of the ACD (telephone: 020 3528 4001 or such other number as published from time to time).

In addition, the ACD may from time to time make arrangements to allow Shares to be bought or sold on-line or through other communication media. The ACD will accept instructions to transfer title or renunciation of title to Shares on the basis of an authority communicated by electronic means and sent by the investor or delivered on their behalf by a person that is authorised by the FCA or regulated in another jurisdiction by an equivalent supervisory authority, subject to:

- (a) prior agreement between the ACD and the person making the communication as to:
 - (i) the electronic media by which such communications may be delivered; and
 - (ii) how such communications will be identified as conveying the necessary authority; and
- (b) assurance from any person who may give such authority on behalf of the investor that they will have obtained the required appointment in writing from the shareholder.

Telephone calls will be recorded. The ACD may also, at its discretion, introduce further methods of dealing in Shares in the future.

In its dealings in Shares of the Sub-Funds the ACD is dealing as principal. The ACD deals in Shares as principal in order to facilitate the efficient management of the Company. Any profits made where the ACD's capital is not at risk will be returned to the Company. The ACD is not accountable to Shareholders for any profit it makes from dealing in Shares as principal where its own capital is at risk.

3.1 **Money Laundering**

As a result of legislation in force in the UK to prevent money laundering, the ACD is responsible for compliance with anti-money laundering regulations. In order to implement these regulations, 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 enter into any transaction to issue Shares, pay the proceeds of a redemption of Shares, or pay income on Shares to the investor. In the case of a purchase of Shares where the applicant is not willing or is unable to provide the information requested (i) in the event that the investor or the investor's duly authorised agent instructs a sale of those shares the ACD may refuse to pay the proceeds of sale until satisfactory proof of identity has been provided or (ii) the ACD may sell the Shares purchased and at the ACD's sole discretion return the proceeds to the account from which the subscription was made or withhold the proceeds of sale until satisfactory evidence of identity has been provided. These proceeds may be less than the original investment.

3.2 **Buying Shares**

3.2.1 **Procedure**

Shares may be bought directly from the ACD or through a professional adviser or other intermediary. For details of dealing charges see paragraph 3.5 below. Application forms may be obtained from the ACD.

The initial purchase must, at the discretion of the ACD, be accompanied by an application form.

Any subsequent application to purchase shares must confirm that the investor has received, read and understood the Key Investor Information Document for the Share Class of the Sub-Fund to be invested in.

Valid applications to purchase Shares in a Sub-Fund will be processed at the Share price calculated, based on the Net Asset Value per Share, at the next Valuation Point following receipt of the application, except in the case where dealing in a Sub-Fund has been suspended as set out in paragraph 3.10.

Settlement is due by no later than the third Business Day following the Valuation Point. An order for the purchase of Shares will only be deemed to have been accepted by the ACD once it is in receipt of cleared funds for the application. Investors will not receive title to Shares until cleared funds have been received from the investor and received by the Sub-Fund.

The ACD, at its discretion, has the right to cancel a purchase deal if settlement is materially overdue (being more than four Business Days of receipt of an application form or other instruction) and any loss arising on such cancellation shall be the liability of the applicant. The ACD is not obliged to issue Shares unless it has received cleared funds from an investor.

The ACD reserves the right to charge interest at 4% above the prevailing Bank of England base rate, on the value of any settlement received later than the fourth Business Day following the Valuation Point. No interest will be paid on funds held prior to investment. Shares that have not been paid for cannot be redeemed.

A purchase of Shares in writing or by telephone or any other communication media made available is a legally binding contract. Applications to purchase, once made are, except where cancellation rights apply, irrevocable. An order for the purchase of Shares will only be deemed to have been accepted by the ACD once it is in receipt of cleared funds for the application.

Settlement should be made by electronic bank transfer to the bank account detailed on the application form.

However, subject to its obligations under the Regulations, the ACD has the right to reject, on reasonable grounds relating to the circumstances of the investor, 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 investor.

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

Investors who have received advice may have the right to cancel their application to buy Shares at any time during the 14 days after the date on which they receive a cancellation notice from the ACD. If an investor decides to cancel the contract, and the value of the investment has fallen at the time the ACD receives the completed cancellation notice, they will not receive a full refund as an amount equal to any fall in value will be deducted from the sum originally invested.

3.2.2 Documents the buyer will receive

A confirmation giving details of the number and price of Shares bought will be issued no later than the end of the Business Day following the Valuation Point by reference to which the price is determined, together with, where appropriate, a notice of the applicant's right to cancel.

Registration of Shares can only be completed by the ACD upon receipt of any required registration details. These details may be supplied in writing to the ACD or by returning to the ACD the properly completed registration form and copy of the confirmation.

Share certificates will not be issued in respect of Shares. Ownership of Shares will be evidenced by an entry on the Register. Tax vouchers in respect of periodic distributions on Shares will show the number of Shares held by the Shareholder.

3.2.3 Regular Savings Plan

The ACD may make available certain Classes of Shares of any Sub-Fund through the Regular Savings Plan (details of current Classes of Shares and Sub-Funds which are available are shown in Appendix I).

3.2.4 Minimum Subscriptions and Holdings

The minimum initial subscriptions, subsequent subscriptions and holdings levels for each Class of Share in a Sub-Fund are set out in Appendix I.

The ACD may at its sole discretion accept subscriptions and/or holdings lower than the minimum amount(s).

If following a redemption, Switch or transfer, a holding in any Class of Share should fall below the minimum holding for that Class, the ACD has the discretion to effect a redemption of that Shareholder's entire holding in that Class of Share. The ACD may use this discretion at any time. Failure not to do so immediately after such redemption, Switch or transfer does not remove this right.

3.3 Redeeming Shares

3.3.1 Procedure

Every Shareholder is entitled on any Dealing Day to redeem their Shares, which shall be purchased by the ACD dealing as principal.

Valid instructions to the ACD to redeem Shares in a Sub-Fund will be processed at the Share price calculated, based on the Net Asset Value per Share, at the next Valuation Point following receipt of the instruction, except in the case where dealing in a Sub-Fund has been suspended as set out in paragraph 3.10.

A redemption instruction in respect of Shares in writing or by telephone or any other communication media made available is a legally binding contract. However, an instruction to the ACD to redeem Shares, although irrevocable, may not be settled by either the Company or the ACD if the redemption represents Shares where the money due on the earlier purchase of those Shares has not yet been received or if documentation or anti-money laundering information which the ACD considers is sufficient for the ACD to meet and discharge its obligations under the regulatory system has not been received by the ACD.

For details of dealing charges see paragraph 3.5 below.

3.3.2 Documents a redeeming Shareholder will receive

A confirmation giving details of the number and price of Shares redeemed will be sent to the redeeming Shareholder (or the first named Shareholder, in the case of joint Shareholders) together with (if sufficient written instructions have not

already been given) a form of renunciation for completion and execution by the Shareholder (or, in the case of a joint holding, by all the joint Shareholders) no later than the end of the Business Day following the later of the request to redeem Shares or the Valuation Point by reference to which the price is determined.

Payment of redemption proceeds will be made to the first named Shareholder (at their risk) via electronic transfer in accordance with any instruction received (the ACD may recover any bank charge levied on such transfers). Instructions to make payments to third parties (other than intermediaries associated with the redemption) will not normally be accepted.

Such payment will be made within three Business Days of the later of (a) receipt by the ACD of the form of renunciation (or other sufficient written instructions) duly signed and completed by all the relevant Shareholders together with any other documentation and appropriate evidence of title, any required anti-money laundering related documentation, and (b) the Valuation Point following receipt by the ACD of the request to redeem.

No interest will be paid on redemption proceeds held whilst the ACD awaits receipt of all relevant documentation necessary to complete a redemption. Shares that have not been paid for cannot be redeemed.

The ACD shall not be liable for any costs or losses whatsoever in the event that documentation provided is not sufficient to enable the ACD to discharge all applicable obligations under the regulatory system including, but not limited to, The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (as amended).

3.3.3 Minimum Redemption

The ACD reserves the right to refuse a redemption request if the remaining value of the Shares of any Sub-Fund held is less than the minimum holding stated in respect of the appropriate Class in the Sub-Fund in question (see Appendix I).

3.4 Conversion and Switching

Subject to any restrictions on the eligibility of investors in relation to a particular Share Class, a Shareholder in a Sub-Fund may at any time Convert or Switch all or some of their Shares ("Original Shares") for Shares in a different Class or Sub-Fund ("New Shares").

A Conversion is an exchange of Shares in one Class for Shares of another Class in the same Sub-Fund.

A Switch is an exchange of Shares of one Class for Shares in a Class of another Sub-Fund.

Conversions and Switches will be effected by the ACD recording the change of Class (and, in the case of Switches the change of Sub-Fund) on the Register of the Company at the next Valuation Point following receipt of instructions by the ACD.

The number of New Shares issued to a Shareholder following a Conversion or a Switch will be determined by reference to the price of the Original Shares relative to the price of the New Shares at the relevant Valuation Point.

If a Shareholder wishes to Convert or Switch Shares they should contact the ACD for further information. Instructions may be given by telephone but Shareholders are required to provide written instructions to the ACD (which, in the case of joint Shareholders, must be signed by all the joint Shareholders) before the Switch or Conversion is effected.

The ACD may at its discretion make a charge on the Switching of Shares (but does not currently do so). 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 Shares originally held. For details of the charges on Switching currently payable, please see the "Charges on Switching and Conversion" paragraph below. There is no charge payable on a Conversion.

If a partial Conversion or Switch would result in the Shareholder holding a number of Original Shares or New Shares of a value which is less than the minimum holding in the Class concerned, the ACD may, if it thinks fit, exchange the whole of the Shareholder's holding of Original Shares to New Shares (and make a charge for this) or refuse to effect any Conversion or Switch of the Original Shares.

Save as otherwise specifically set out, the general provisions on procedures relating to redemption will apply equally to a Conversion or a Switch. Written instructions must be received by the ACD before the Valuation Point on a Dealing Day in the Sub-Funds concerned to be dealt with at the prices at the Valuation Point on that Dealing Day or at such other Valuation Point as the ACD at the request of the Shareholder giving the relevant instruction may agree. Requests to Switch or Convert received after a Valuation Point will be held over until the next day which is a Dealing Day for the relevant Sub-Fund or Sub-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.

On completion of a Switch or a Conversion, subsequent Share dealing instructions may be limited, restricted or denied where the ACD's identity evidence requirements have not been complied with. In such circumstance, the ACD shall not be liable for any costs or losses whatsoever.

Please note that under UK tax law a Switch of Shares is treated as a redemption of the Original Shares and a purchase of New Shares and will, for persons subject to taxation, be a realisation of the Original Shares for UK tax purposes. It may give rise to a liability to tax, depending upon the Shareholder's circumstances. Conversions will not generally be treated as a disposal for capital gains tax purposes.

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

3.5 Dealing Charges

The price per Share at which Shares are bought, redeemed or switched is the Net Asset Value per Share. Any redemption charge, (or dilution levy on a specific deal, if applicable) is deducted from the proceeds and is taken from the gross redemption monies.

3.5.1 Initial Charge

The ACD may impose a charge on the purchase of Shares in each Class. At present, no subscription charge is levied. The initial charge is calculated as a percentage of the amount invested by a potential Shareholder and is set out in Appendix I. The ACD may waive or discount the initial charge at its discretion.

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

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

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

3.5.2 Redemption Charge

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

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

3.5.3 Charges on Switching and Conversions

The ACD is permitted to impose a charge where a Shareholder Switches or Converts their Shares.

The charge on Switching and Conversions is payable by the Shareholder to the ACD. The charge will be no more than the excess of the initial charge applicable to New Shares over the initial charge applicable to the Original Shares as specified in Appendix I.

The ACD's current policy is to allow Switches free of any initial charge.

There is currently no charge for Conversions of Shares in one Class of a Sub-Fund for Shares in another Class of the same Sub-Fund.

3.5.4 Dilution Levy

The actual cost of purchasing, selling or switching underlying investments in a Sub-Fund may deviate from the mid-market value used in calculating its Share price, due to dealing charges, taxes, and any spread between buying and selling prices of the Sub-Fund's underlying investments. These dealing costs could have an adverse effect on the value of a Sub-Fund, known as "dilution". In order to mitigate the effect of dilution the Regulations allow the ACD to charge a dilution levy on the purchase, redemption or Switch of Shares in a Sub-Fund. A dilution levy is a separate charge of such amount or at such rate as is determined by the ACD to be made for the purpose of reducing the effect of dilution. This amount is not retained by the ACD, but is paid into the relevant Sub-Fund.

The dilution levy is calculated by reference to the costs of dealing in the underlying investments of the relevant Sub-Fund, including any dealing spreads, commission and transfer taxes.

The need to charge a dilution levy will depend on the volume of purchases and redemptions. It is not possible to predict accurately whether a dilution levy will be charged at any point in time.

The ACD's policy is that it may require a dilution levy on the purchase and redemption of Shares if, in its opinion, the existing Shareholders (for purchases) or remaining Shareholders (for redemptions) might otherwise be adversely affected. For example, the dilution levy may be charged in the following circumstances: where the Scheme Property of a Sub-Fund is in continual decline; on a Sub-Fund experiencing large levels of net purchases relative to its size; on "large deals" (typically being a purchase or redemption of Shares to a size exceeding 5% of the Net Asset Value of the relevant Sub-Fund); in any case where the ACD is of the opinion that the interests of existing or remaining Shareholders require the imposition of a dilution levy.

This policy is intended to mitigate the dilutive effect of Shareholder transactions on the future growth of the Company.

Based on future projections and on its experience of managing the Company the ACD is unlikely to impose a dilution levy unless it considers that the dealing costs

relating to a Shareholder transaction are significant and will have a material impact on the relevant Sub-Fund.

If a dilution levy is required then, based on future projections, the estimated rate of such a levy would be up to 0.75%.

The ACD, in its absolute discretion, may waive or reduce the dilution levy. The ACD may alter its current dilution policy in accordance with the procedure set out in the Regulations.

3.6 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. However, the ACD in its discretion, may also accept electronic transfers in a format specified by the ACD. Completed instruments of transfer, together with such documentary evidence of proof of identity as may have been requested by the ACD, must be returned to the ACD in order for the transfer to be registered. The ACD shall not be liable for any costs or losses that may be incurred as a result of any failure to or delay in providing satisfactory evidence of identity to the ACD. The ACD may refuse to register a transfer unless any provision for SDRT due has been paid.

3.7 Restrictions and Compulsory Transfer, Conversion and Redemption

The ACD may from time to time impose such restrictions as it may think necessary for the purpose of ensuring 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 or which would result in the Company incurring any liability to taxation which the Company is not able to recoup itself or suffering any other adverse consequence. In this connection, the ACD may, inter alia, reject in its discretion any application for the purchase, redemption, transfer or switching of Shares.

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

- (a) are owned directly or beneficially in breach of any law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory; or
- (b) would result in the Company incurring any liability to taxation which the Company would not be able to recoup itself or suffering any other adverse consequence (including a requirement to register under any securities or investment or similar laws or governmental regulation of any country or territory); or
- (c) are held in any manner by virtue of which the Shareholder or Shareholders in question is/are not qualified to hold such Shares or if it reasonably believes this to be the case; or
- (d) are owned by a Shareholder who is registered in a jurisdiction (where the Company is not registered or recognised by the relevant competent authority) whereby communication with that Shareholder by the ACD, on behalf of the Company, might constitute a breach of the regulations in that jurisdiction (unless specific action is taken by the ACD to prevent such a communication constituting a breach);

the ACD may give notice to the Shareholder(s) of the affected Shares requiring the transfer of such Shares to a person who is qualified or entitled to own them or that a request in writing be given for the redemption of such Shares in accordance with the COLL Sourcebook. If any Shareholder 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 qualified to own them or submit a written request for their redemption to the ACD or establish to the satisfaction of the ACD (whose judgement is final and binding) that they or the beneficial owner is qualified and entitled to own the affected Shares, they shall be deemed upon the

expiry of that 30 day period to have given a request in writing for the redemption or cancellation (at the discretion of the ACD) of all the affected Shares.

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

Where a request in writing is given or deemed to be given for the redemption of affected Shares, such redemption will (if effected) be effected in the same manner as provided for in the COLL Sourcebook.

Upon giving 60 days' written notice to Shareholders, the ACD may compulsorily convert Shares where to do so is considered by the ACD to be in the best interests of Shareholders.

3.8 Issue of Shares in Exchange for In Specie Assets

The ACD may arrange for the Company to issue Shares in exchange for assets other than cash, but will only do so where the Depositary has taken reasonable care to determine that the Company's acquisition of those assets in exchange for the Shares concerned is not likely to result in any material prejudice to the interests of Shareholders.

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

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

3.9 In Specie Redemptions

If a Shareholder requests the redemption of Shares the ACD may, where it considers that deal to be substantial in relation to the total size of a Sub-Fund or in some way detrimental to the Sub-Fund, arrange for Scheme Property having the appropriate value to be transferred to the Shareholder (an 'in specie transfer'), in place of payment for the Shares in cash. Before the redemption is effected, the ACD must give written notice to the Shareholder of the intention to make an in specie transfer.

The ACD will select the property to be transferred in consultation with the Depositary. The ACD and Depositary must ensure that the selection is made with a view to achieving no more advantage or disadvantage to the Shareholder requesting the redemption than to the continuing Shareholders.

If a Shareholder redeems Shares in specie in return for an appropriate value of assets out of the Company, there will be no Stamp Duty Reserve Tax ('SDRT') on UK equities provided the Shareholder receives a proportionate part of each holding. Otherwise the Shareholder will be liable to SDRT at 0.5% on the value of any UK equities transferred.

3.10 Suspension of Dealings in the Company

The ACD may, with the prior agreement of the Depositary, and must without delay if the Depositary so requires, temporarily suspend the issue, cancellation, sale and redemption of Shares in the Company where due to exceptional circumstances it is in the interests of all the Shareholders in the Company.

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

The ACD or the Depositary (as appropriate) will immediately inform the FCA of the suspension and the reasons for it and will follow this up as soon as practicable with written confirmation of the suspension and the reasons for it to the FCA and the regulator in each EEA state where the Company is offered for sale.

The ACD will notify Shareholders as soon as is practicable after the commencement of the suspension, including details of the exceptional circumstances which have led to the suspension, in a clear, fair

and not misleading way and giving Shareholders details of how to find further information about the suspension.

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

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

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

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

3.11 **Governing Law**

All deals in Shares are governed by the law of England and Wales.

4. **VALUATION OF THE COMPANY**

4.1 **General**

The price of a Share is calculated by reference to the Net Asset Value of the Sub-Fund to which it relates. The Net Asset Value per Share of a Sub-Fund is currently calculated at 12.00 noon (London time) (this being the Valuation Point) on each Dealing Day.

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

The ACD will, upon completion of each valuation, notify the Depositary of the price of Shares, of each Class of each Sub-Fund and the amount of any dilution levy applicable in respect of any purchase or redemption of Shares.

“Late Trading” is defined as the acceptance of a subscription, redemption or Switch order received after the Sub-Fund’s applicable valuation point for that Dealing Day. Late Trading is not permitted. A request for dealing in Shares must be received by the Valuation Point on a particular Dealing Day in order to be processed on that Dealing Day. A dealing request received at or after 12:00 noon will be held over and processed on the next Dealing Day, using the Net Asset Value per Share calculated as at the Valuation Point on that next Dealing Day.

4.2 **Calculation of the Net Asset Value**

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

4.2.1 All the Scheme Property (including receivables) is to be included, subject to the following provisions.

4.2.2 Scheme Property which is not cash (or other assets dealt with in paragraph 4.2.2.4 below) or a contingent liability transaction shall be valued as follows

and the prices used shall (subject as follows) be the most recent prices which it is practicable to obtain:

- 4.2.2.1 Units or shares in a collective investment scheme:
- 4.2.2.2 if a single price for buying and redeeming units or shares is quoted, at that price; or
- 4.2.2.3 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
- 4.2.2.4 if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no recent price exists or if the most recent price available does not reflect the ACD's best estimate of the value of the units or shares, at a value which, in the opinion of the ACD, is fair and reasonable;
- 4.2.2.5 Any other transferable security:
- 4.2.2.6 if a single price for buying and redeeming the security is quoted, at that price; or
- 4.2.2.7 if separate buying and redemption prices are quoted, at the average of the two prices; or
- 4.2.2.8 if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no recent price exists or if the most recent price available does not reflect the ACD's best estimate of the value of the security, at a value which, in the opinion of the ACD, is fair and reasonable;
- 4.2.2.9 Scheme Property other than that described in paragraphs 4.2.2.1 and 4.2.2.2 above, at a value which, in the opinion of the ACD, is fair and reasonable;
- 4.2.2.10 Cash and amounts held in current and deposit accounts and in other time related deposits shall be valued at their nominal values.

4.2.3 Scheme Property which is a contingent liability transaction shall be treated as follows:

- 4.2.3.1 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. If the Scheme Property is an off exchange option the method of valuation shall be agreed between the ACD and the Depositary;
- 4.2.3.2 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;
- 4.2.3.3 if it is any other form of contingent liability transaction, include it at the net value on closing out (whether as a positive or negative value). If the Scheme Property is an off exchange derivative, include it at a valuation method agreed between the ACD and the Depositary.

- 4.2.4 In determining the value of the Scheme Property, all instructions given to issue or cancel Shares shall be assumed to have been carried out (and any cash paid or received) whether or not this is the case.
- 4.2.5 Subject to paragraphs 4.2.6 and 4.2.7 below, agreements for the unconditional sale or purchase of Scheme Property which are in existence but uncompleted shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and if, in the opinion of the ACD, their omission will not materially affect the final net asset amount.
- 4.2.6 Futures or contracts for differences which are not yet due to be performed and unexpired and unexercised written or purchased options shall not be included under paragraph 4.2.5.
- 4.2.7 All agreements are to be included under paragraph 4.2.5 which are, or ought reasonably to have been, known to the person valuing the Scheme Property.
- 4.2.8 Deduct an estimated amount for anticipated tax liabilities at that point in time including (as applicable and without limitation) capital gains tax, income tax, corporation tax, VAT and any foreign taxes or duties.
- 4.2.9 Deduct an estimated amount for any liabilities payable out of the Scheme Property and any tax or duty thereon, treating periodic items as accruing from day to day.
- 4.2.10 Deduct the principal amount of any outstanding borrowings whenever repayable and any accrued but unpaid interest on borrowings.
- 4.2.11 Add an estimated amount for accrued claims for tax of whatever nature which may be recoverable.
- 4.2.12 Add any other credits or amounts due to be paid into the Scheme Property.
- 4.2.13 Add a sum representing any interest or any income accrued due or deemed to have accrued but not received.
- 4.2.14 Currencies or values in currencies other than Sterling shall be converted at the relevant Valuation Point at a rate of exchange that is not likely to result in any material prejudice to the interests of Shareholders or potential Shareholders.

4.3 **Price per Share in Each Sub-Fund and Each Class**

The price per Share at which Shares are bought or are redeemed is the Net Asset Value per Share. Any redemption charge, (or dilution levy on a specific deal, if applicable) is deducted from the proceeds and is taken from the gross redemption monies.

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

4.4 **Fair Value Pricing**

4.4.1 Where the ACD has reasonable grounds to believe that:

- 4.4.1.1 no reliable price exists for a security (including a unit/share in a collective investment scheme) at a Valuation Point; or

- 4.4.1.2 the most recent price available does not reflect the ACD's best estimate of the value of the security (including a unit/share in a collective investment scheme) at the Valuation Point;
- 4.4.1.3 it can value an investment at a price which, in its opinion, reflects a fair and reasonable price for that investment (the fair value price).
- 4.4.2 The circumstances which may give rise to a fair value price being used include:
 - 4.4.2.1 no recent trade in the security concerned; or
 - 4.4.2.2 suspension of dealings in the security concerned; or
 - 4.4.2.3 the occurrence of a significant event since the most recent closure of the market where the price of the security is taken.
- 4.4.3 In determining whether to use such a fair value price, the ACD will include in its consideration but need not be limited to:
 - 4.4.3.1 the type of authorised fund concerned;
 - 4.4.3.2 the securities involved;
 - 4.4.3.3 whether the underlying collective investment schemes may already have applied fair value pricing;
 - 4.4.3.4 the basis and reliability of the alternative price used; and
 - 4.4.3.5 the ACD's policy on the valuation of Scheme Property as disclosed in this Prospectus.

4.5 **Pricing Basis**

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

Prices of Shares in the Sub-Funds are expressed in pounds sterling.

4.6 **Publication of Prices**

The prices of all Shares are published on every dealing day on the ACD's website: <https://www.carnegroup.com/funds> and by calling 020 3528 4001 during the ACD's normal business hours. Prices are also published on the Investment Manager's website: www.morningstarfunds.co.uk. As the ACD deals on a forward pricing basis, the price that appears in these sources will not necessarily be the same as the one at which investors can deal. The ACD may also, at its sole discretion, decide to publish certain Share prices in other third party websites or publications but the ACD does not accept responsibility for the accuracy of the prices published in, or for the non-publication of prices by, these sources for reasons beyond the control of the ACD.

5. **RISK FACTORS**

Potential investors should consider the following risk factors before investing in the Company (or in the case of specific risks applying to specific Sub-Funds, in those Sub-Funds).

5.1 **General**

The investments of the Sub-Funds are subject to normal market fluctuations and other risks inherent in investing in securities. Past performance is not indicative of future results and there can be no assurance that any appreciation in the value of investments will occur. The value of investments and the income derived from them may fall as well as rise and Shareholders may not recoup the original

amount they invest in the Company. There is no certainty that the investment objective of the Sub-Fund will actually be achieved and no warranty or representation is given to this effect. The level of any yield for a Sub-Fund may be subject to fluctuations and is not guaranteed.

The entire market of a particular asset class or geographical sector may fall, having a more pronounced effect on a Sub-Fund heavily invested in that asset class or region. There will be a variation in performance between funds with similar objectives due to the different assets selected.

5.2 Effect of Redemption Charge

Where a redemption charge is imposed, a Shareholder who realises their Shares may not (even in the absence of a fall in the value of the relevant investments) realise the amount originally invested.

In particular, where a redemption charge is payable, Shareholders should note that the percentage rate at which the redemption charge is calculated is based on the market value rather than the initial value of the Shares. If the market value of the Shares has increased the redemption charge will show a corresponding increase. Currently there is no redemption charge levied on Shares.

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

5.3 Dilution

A Sub-Fund may suffer a reduction in the value of its Scheme Property due to dealing costs incurred when buying and selling investments. To offset this dilution effect the ACD may require the payment of a dilution levy in addition to the price of Shares when bought or as a deduction when sold.

5.4 Charges to Capital

Where charges are taken from a Sub-Fund's capital, this will increase the amount of income available for distribution; however this will erode capital and may constrain capital growth.

5.5 Suspension of Dealings in Shares

Shareholders are reminded that in certain circumstances their right to redeem Shares (including redemption by way of switching) may be suspended. Please see paragraph 3.10 for full details.

5.6 Liabilities of the Company and the Sub-Funds

As explained in paragraph 2.2.1, under the OEIC Regulations, each Sub-Fund is a segregated portfolio of assets and those assets can only be used to meet the liabilities of, or claims against, that Sub-Fund. Whilst the provisions of the OEIC Regulations provide for segregated liability between Sub-Funds, the concept of segregated liability has not been tested in many jurisdictions. Accordingly, where claims are brought by local creditors in foreign courts or under foreign law contracts, it is not yet known whether a foreign court would give effect to the segregated liability and cross-investment provisions contained in the OEIC Regulations. Therefore, it is not possible to be certain that the assets of a Sub-Fund will always be completely insulated from the liabilities of another Sub-Fund of the Company in every circumstance.

5.7 Currency Exchange Rates

Sub-Funds investing in overseas securities are exposed to, and may hold, currencies other than the operational currency of the Sub-Fund (GBP). As a result, exchange rate movements may cause the GBP value of investments to decrease or increase.

5.8 Derivatives

The Investment Manager may employ derivatives solely for the purposes of Efficient Portfolio Management ("EPM") (including hedging) with the aim of reducing the risk profile of the Sub-Funds, reducing costs, or generating additional capital or income. Further details about EPM can be found at paragraph 18, Appendix III.

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

For more information in relation to investment in derivatives please see paragraph 17 in Appendix III.

5.9 Credit and Fixed Interest Securities

Fixed interest securities are particularly affected by trends in interest rates and inflation. If interest rates go up, the value of capital may fall, and vice versa. Inflation will also decrease the real value of capital. The value of a fixed interest security will fall in the event of the default or reduced credit rating of the issuer. Generally, the higher the level of income (yield) receivable, the higher the perceived credit risk of the issuer. High yield bonds with lower credit ratings (also known as sub-investment grade bonds) are potentially more risky (higher credit risk) than investment grade bonds.

As a general rule, fixed interest securities with an above average yield tend to be less liquid than securities issued by issuers with a higher credit rating. Investment in fixed interest securities with a higher yield also generally brings an increased risk of default on repayment by the issuer which could affect the income and capital of a Sub-Fund. Furthermore, the solvency of issuers of such fixed interest securities may not be guaranteed in respect of either the principal amount or the interest payments and the possibility of such issuers becoming insolvent cannot be excluded. The value of a fixed interest security may fall in the event of the default or a downgrading of the credit rating of the issuer.

"Investment Grade" holdings are generally considered to be a rating of BBB- (or equivalent) and above by leading credit rating agencies (such as S&P, Moodys or Fitch). "Sub-investment Grade" is generally considered to be a rating below BBB- (or equivalent) by the leading rating agencies.

Holdings that have not been rated by the leading credit rating agencies will adopt the risk rating of the "parent company" as an indicator of their credit risk or an unrated holding will be assessed using fundamental data to analyse the likelihood of the company defaulting. An issuer with a rating of at least BBB- (or equivalent) is generally considered as having adequate capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances may lead to a weakened capacity of the issuer to meet its commitments.

Where a Sub-Fund invests in fixed income securities, the portfolio composition may change over time, this means the yield on the Sub-Fund is not fixed and may go up or down.

5.10 Counterparty Risk in Over-the-Counter ("OTC") Markets

The ACD on behalf of a Sub-Fund may enter into transactions in over-the-counter markets, which will expose the Sub-Fund to the credit of its counterparties and their ability to satisfy the terms of such contracts. For example, the ACD on behalf of a Sub-Fund may enter into agreements or use other derivative techniques, each of which expose the Sub-Fund to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of a bankruptcy or insolvency of a counterparty, a Sub-Fund could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which the ACD, on behalf of the Sub-Fund seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights. There is also a possibility that the above agreements and derivative techniques are terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated. In such circumstances, Shareholders may be unable to cover any losses incurred.

5.11 Counterparty and Settlement

A Sub-Fund will be exposed to a credit risk on parties with whom it trades and will also bear the risk of settlement default.

5.12 Custody

There may be a risk of loss where the assets of the Sub-Funds are held in custody that could result from insolvency, negligence or fraudulent action of a custodian or sub-custodian.

5.13 **Inflation and Interest Rates**

The real value of any returns that a Shareholder may receive from a Sub-Fund could be affected by interest rates and inflation over time.

5.14 **Tax**

Tax laws currently in place may change in the future which could affect the value of a Shareholder's investments. See the section headed 'Taxation' for further details about taxation of the Sub-Funds.

Currently, the Sub-Funds rely extensively on tax treaties between the United Kingdom and other countries to reduce domestic rates of withholding tax being applied on income arising where a Sub-Fund holds underlying assets in those countries. A risk exists that these treaties may change or that tax authorities may change their position on the application of a relevant tax treaty. As a consequence, any such change (i.e. the imposition of, or increase in, withholding tax in that foreign jurisdiction) may result in higher rates of tax being applied to income from underlying investments and this may have a negative effect on the returns to the Sub-Fund and Shareholders.

In addition, under some treaties the rate of withholding tax applied to a Sub-Fund may be affected by the tax profiles of Shareholders in the Sub-Fund (or by the tax profiles of Shareholders in other Sub-Funds of the Company). This is because such treaties may require a majority of Shareholders in the Sub-Fund (or the other Sub-Funds of the Company) to be resident in either the UK or another specified jurisdiction as a condition of relief. Failing to satisfy this test may also result in increased withholding tax and therefore a negative effect on the returns to the Sub-Fund and Shareholders.

5.15 **Liquidity**

The Sub-Funds may invest indirectly in alternative investments which may be subject to liquidity constraints. This means that certain securities may trade infrequently and in small volumes. Normally liquid securities may also be subject to periods of significantly lower liquidity in difficult market conditions. As a result, changes in the value of investments may be more unpredictable and in certain cases, it may be difficult to deal a security at the last market price quoted or at a value considered to be fair.

5.16 **Investment Trusts**

A Sub-Fund may invest in investment trusts. These are public limited companies quoted on Stock Exchanges. The price of their shares depends on supply and demand and may not reflect the value of the underlying assets. It may be higher 'at a premium' or lower 'at a discount'. The discount and premium varies continuously and represents an additional measure of risk and reward. **Gearing** – investment trusts can borrow money, which can then be used to make further investments. In a rising market, this 'gearing' can enhance returns to shareholders. However if the market falls, losses will also be multiplied. The level of gearing needs to be carefully judged and monitored to produce a benefit.

5.17 **Investment in Regulated Collective Investment Schemes**

A Sub-Fund may invest in other regulated collective investment schemes. As an investor in another collective investment scheme, a Sub-Fund will bear, along with the other investors, its portion of the expenses of the other collective investment scheme, including the management, performance and/or other fees. These fees will be in addition to the management fees and other expenses which a Sub-Fund bears directly with its own operations.

5.18 **Property Funds**

A Sub-Fund may invest in Real Estate Investment Trusts (REITs) and other funds which have exposure to property. The value of capital and income will fluctuate as property values and rental incomes rise and fall. These schemes may also invest in other property related securities. Whilst returns from these investments have the potential for attractive returns over the longer term, the short-term volatility of these returns can also be high.

5.19 **Smaller Companies**

Investment in smaller companies can be higher risk than investment in well-established blue chip companies. Funds investing significantly in smaller companies can be subject to more volatility due to the limited marketability of the underlying asset.

5.20 **Emerging Markets**

Emerging markets tend to be more volatile than more established markets and therefore your money is at greater risk. Risk factors such as local political and economic conditions should also be considered.

The reliability of trading and settlement systems in some emerging markets may not be equal to that available in more developed markets, which may result in delays in realising investments within a Sub-Fund. A counterparty may not pay or deliver on time or as expected.

Lack of liquidity or efficiency in certain stock markets or foreign exchange markets in certain emerging markets may mean that from time to time the Investment Manager may experience more difficulty in purchasing or selling securities than it would in a more developed market.

Given the possible lack of a regulatory structure it is possible that securities in which investments are made may be found to be fraudulent. As a result, it is possible that loss may be suffered.

The currencies of certain emerging countries prevent the undertaking of currency hedging techniques.

Some emerging markets may restrict the access of foreign investors to securities. As a result, certain securities may not always be available to the Sub-Fund(s) because the maximum permitted number of an investment by foreign Shareholders has been reached. In addition, the outward remittance by foreign investors of their share of net profits, capital and dividends may be restricted or require governmental approval.

Accounting, auditing and financial reporting standards, practices and disclosure requirements applicable to companies in emerging markets differ from those applicable in more developed markets in respect of the nature, quality and timeliness of the information disclosed to Shareholders and, accordingly, investment possibilities may be difficult to properly assess.

5.21 **Brexit**

On 23 January 2020, following the United Kingdom (the "UK") government's notification to the European Union (the "EU") of its intention to leave the EU, the UK enacted the EU (Withdrawal Agreement) Act 2020 ("EUWA"). The EUWA implemented the withdrawal agreement into UK law. The EU also ratified the withdrawal agreement in accordance with its own procedures.

As part of the withdrawal agreement, the UK and the EU agreed to a transition period during which the UK will generally continue to apply EU law in order to provide continuity and certainty. The transition period runs from 12:00 midnight CET on 31 January 2020 until 12:00 midnight CET on 31 December 2020. The UK government's stated policy is that it will not seek an extension to the transition period and it is therefore expected to end on 31 December 2020. Shareholders should note that references to the EU and/or European Economic Area ("EEA") in this Prospectus shall be taken to include the UK.

Notwithstanding the entry into law of the EUWA, the UK's future economic and political relationship with the EU is subject to ongoing negotiation and so remains uncertain. This uncertainty could generate further global currency and asset price volatility which may in turn negatively impact the returns of a Sub-Fund. Ongoing uncertainty may also adversely impact the general economic outlook which may have implications for the ability of a Sub-Fund to execute its strategies effectively and could result in increased costs to the Company. In addition, it is possible that UK and EU regulations will diverge post-Brexit. The nature and impact of such divergence continues to be uncertain, but may be significant.

The information provided in this section is correct as at the date of this Prospectus.

5.22 **Depository Receipts**

Depository receipts, such as American Depository Receipts (ADRs) and Global Depository Receipts (GDRs), are instruments that represent shares of companies and facilitate trading in those shares outside the markets in which the shares are usually traded. Accordingly whilst the depository receipts are traded on recognised exchanges, there may be other risks associated with such instruments to consider – for example, the shares underlying the instruments may be subject to political, inflationary, exchange rate or custody risks.

6. MANAGEMENT AND ADMINISTRATION

6.1 Regulatory Status

The ACD, the Depository and the Investment Manager are authorised and regulated by the Financial Conduct Authority of 12 Endeavour Square, London E20 1JN.

6.2 Authorised Corporate Director

6.2.1 General

The ACD is Carne Global Fund Managers (UK) Limited which is a private company limited by shares incorporated in England and Wales on 3 April 2017.

The directors of the ACD are:-

- Jeremy Soutter
- Piyush Patel
- Veronica Buffoni
- Michael Bishop (Non-executive)
- Timothy Cornick (Non-executive)

No other director is engaged in any significant business activity not connected with the business of the ACD or other subsidiaries of Carne Global Financial Services Limited.

Registered Office:	2 nd Floor, 107 Cheapside, London EC2V 6DN
Principal Place of Business:	2 nd Floor, 107 Cheapside, London EC2V 6DN
Share Capital:	The ACD has an issued share capital of 110,240 ordinary shares fully paid-up, such ordinary shares being worth £1 each.
Ultimate Holding Company:	Carne Global Financial Services Limited, a company incorporated in the Republic of Ireland

The ACD is responsible for managing and administering the Company’s affairs in compliance with the COLL Sourcebook. The ACD may delegate its management and administration functions, but not responsibility, to third parties, including Associates subject to the rules in the COLL Sourcebook.

It has therefore delegated to the Investment Manager the function of managing and acting as the investment adviser for the investment and reinvestment of the assets of the Sub-Funds (as further explained in paragraph 6.4 below). The ACD has also delegated to the Registrar certain functions relating to the register (as further explained in paragraph 6.5 below). It has also delegated The Bank of New York Mellon (International) Limited to provide fund accounting services for the Company (as explained in paragraph 6.5).

The ACD is required to have a Remuneration Code (“the Code”) relating to the way in which it remunerates its staff (as further explained in paragraph 12.14 below). The Code is designed to ensure that firms have risk-focused remuneration policies which are consistent with and promote effective risk management and do not expose the ACD or the funds it operates to excessive risk.

6.2.2 **Terms of Appointment**

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

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

The ACD Agreement may be terminated by either party on not less than three months’ written notice or earlier upon the happening of certain specified events. The ACD Agreement contains detailed provisions relating to the responsibilities of the ACD and excludes it from any liability to the Company or any Shareholder for any act or omission except in the case of negligence, wilful default, breach of duty or breach of trust in relation to the Company on its part. The ACD Agreement provides indemnities to the ACD to the extent allowed by the Regulations and other than for matters arising by reason of its negligence, wilful default, breach of duty or breach of trust in the performance of its duties and obligations. Subject to certain limited exceptions set out in the Regulations, the ACD may retain the services of any person to assist it in the performance of its functions.

Details of the fees payable to the ACD are set out in paragraph 7.1 “Charges payable to the ACD” below.

The ACD is under no obligation to account to the Depositary, the Company or the Shareholders for any profit it makes on the issue or re-issue or cancellation of Shares which it has redeemed.

The Company has no directors other than the ACD. The ACD is the manager of certain open-ended investment companies details of which are set out in Appendix IV.

6.3 **The Depositary**

6.3.1 **General**

The Depositary of the Company is The Bank of New York Mellon (International) Limited (registered no. 03236121).

The ACD has appointed the Depositary to act as depositary for the purposes of the Company being a UCITS Scheme.

The Depositary is a private company limited by shares incorporated in England and Wales on 9 August 1996. Its ultimate holding company is The Bank of New York Mellon Corporation, a public company incorporated in the United States.

The registered and head office of the Depositary is at One Canada Square, London E14 5AL. Its main place of business is at Capital House, 2 Festival Square, Edinburgh EH3 9SU. The Depositary is authorised by the Prudential Regulation Authority and is dual-regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

6.3.2 **Duties of the Depositary**

The Depositary is responsible for the safekeeping of the Scheme Property, monitoring the cash flows of the Company, and must ensure that certain processes carried out by the ACD are performed in accordance with the Regulations, the Instrument of Incorporation and the Prospectus.

6.3.3 **Delegation of Safekeeping Functions**

The Depositary acts as global custodian and is permitted to delegate (and authorise its delegate to sub-delegate) the safekeeping of Scheme Property.

The Depositary has delegated safekeeping of the Scheme Property to The Bank of New York Mellon SA/NV and The Bank of New York Mellon (the "Global Sub-Custodian"). In turn, the Global Sub-Custodian has sub-delegated the custody of assets in certain markets in which the Company may invest to various sub-delegates ("Sub-Custodians"). A list of Sub-Custodians is given in Appendix VI. Shareholders should note that, except in the event of material changes requiring a prompt update of this Prospectus, the list of Sub-Custodians is updated only at each Prospectus review.

6.3.4 **Updated Information**

Up-to-date information regarding the Depositary, its duties, the delegation of its safekeeping functions and its conflicts of interest will be made available to shareholders on request.

6.3.5 **Terms of Appointment**

The ACD is required to enter into a written contract with the Depositary to evidence its appointment as depositary of the Company. The Depositary is appointed as depositary of the Company under an agreement entered into between the ACD, the Company and the Depositary with effect from 27 November 2020, pursuant to which the ACD and the Depositary agree to carry out various functions in order to comply with, and facilitate compliance with, the requirements of the Regulations.

Details of the Depositary's remuneration are set out in 7.2.

6.4 **The Investment Manager**

6.4.1 **General**

The ACD has appointed the Investment Manager, Morningstar Investment Management Europe Limited, to provide investment management services to the ACD. The Investment Manager is authorised and regulated by the Financial Conduct Authority.

The Investment Manager's registered office is at 1 Oliver's Yard, 55-71 City Road, London EC1Y 1HQ. The principal activity of the Investment Manager is the provision of investment management services.

6.4.2 **Terms of Appointment**

The terms of the Investment Management Agreement between the ACD and the Investment Manager include the provision of investment management within the investment objectives of the Sub-Funds, the purchase and sale of investments and on the exercise of voting rights relating to such investments. The Investment Manager has authority to make decisions on behalf of the ACD on a discretionary basis in respect of day to day investment management of the Scheme Property including authority to place purchase orders and sale orders with regulated dealers. Subject to the agreement of the ACD, the Investment Manager may appoint Sub-Investment Advisers to discharge some or all of these duties. The

Agreement may be terminated by either party on not less than three months' written notice or earlier upon the happening of certain specified events.

The Investment Manager will receive a fee paid by the ACD out of its remuneration received each month from the Sub-Funds as explained in paragraph 7.3 below.

The Investment Manager will not be considered as a broker fund adviser under the FCA Handbook in relation to the Company.

6.5 **The Administrator, Fund Accountant, Registrar and Transfer Agent**

6.5.1 **General**

On behalf of the Company the ACD has also appointed The Bank of New York Mellon (International) Limited to act as registrar and to provide fund accounting and other administration services to the Company.

The registered office of the Registrar is One Canada Square, London E14 5AL.

The register is kept and maintained at Capital House, 2 Festival Square, Edinburgh EH3 9SU.

6.5.2 **Register of Shareholders**

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

The plan register, where applicable (being a record of persons who subscribe for Shares through or Individual Savings Accounts (ISAs)) may be inspected at the office of the Registrar by any Shareholder or any Shareholder's duly authorised agent

6.6 **The Auditors**

The auditors of the Company are Deloitte LLP, whose address is at 110 Queen Street, Glasgow G1 3BX.

6.7 **Conflicts of Interest**

ACD

The ACD, the Investment Manager and other companies within the ACD's and/or the Investment Manager's group 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 Sub-Funds. It is therefore possible that the ACD and/or the Investment Manager may in the course of their business have potential conflicts of interest with the Company or a particular Sub-Fund or that a conflict exists between the Company and other funds managed by the ACD, or that a conflict exists between the Company and other funds managed by the ACD. The ACD and the Investment Manager maintain and operate effective organisational and administrative arrangements with a view to taking all reasonable steps to prevent such conflicts from adversely affecting the interests of the Company.

The ACD and the Investment Manager will take all appropriate steps to identify and prevent or manage such conflicts and each of the ACD and the Investment Manager will 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. Where a conflict of interest cannot be avoided, the ACD and the

Investment Manager will ensure that the Company and other collective investment schemes it manages are fairly treated.

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

Details of the ACD's conflicts of interest policy are available on the ACD's website at <https://www.carnegroup.com/funds>.

Depositary

For the purposes of this section, the following definitions shall apply:

- 6.7.1 "Link" means a situation in which two or more natural or legal persons are either linked by a direct or indirect holding in an undertaking which represents 10% or more of the capital or of the voting rights or which makes it possible to exercise a significant influence over the management of the undertaking in which that holding subsists.
- 6.7.2 "Group Link" means a situation in which two or more undertakings or entities belong to the same group within the meaning of Article 2(11) of Directive 2013/34/EU or international accounting standards adopted in accordance with Regulation (EC) No. 1606/2002.

The ACD may delegate certain administrative functions to an entity within the same corporate group as the Depositary. If the ACD does so, the Depositary shall ensure that policies and procedures are in place to identify all conflicts of interests arising and shall take all reasonable steps to avoid such conflicts of interests.

At present the ACD delegates certain administrative functions to The Bank of New York Mellon (International) Limited. A Group Link exists where the ACD has delegated certain administrative functions, including but not limited to Fund Accounting, to The Bank of New York Mellon (International) Limited or another entity within the same corporate group as the Depositary

Where such Group Link exists, the Depositary and the ACD will ensure that such conflicts of interests are managed, monitored and disclosed in order to prevent adverse effects on the interests of the Company and its Shareholders.

The Depositary may delegate the safekeeping of the Scheme Property to an entity in the same corporate group as the Depositary and a Group Link exists where the Depositary has delegated, or where any Global Sub-Custodian has sub-delegated, the safekeeping of the Scheme Property to an entity within the same corporate group.

The Depositary shall ensure that policies and procedures are in place to identify all conflicts of interests arising and shall take all reasonable steps to avoid such conflicts of interests. Where such conflicts of interests cannot be avoided, the Depositary will ensure that such conflicts of interests are managed, monitored and disclosed in order to prevent adverse effects on the interests of the Company and its Shareholders.

Where a Link exists, for example where one party can exercise significant influence over the management of the other, between the Depositary and any Shareholders in the Company, the Depositary shall take all reasonable steps to avoid conflicts of interests arising, and ensure that it complies with the applicable regulations for a UCITS Scheme.

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

7. FEES AND EXPENSES

This section describes the charges and expenses that a Shareholder bears on their investment and how they work. It details the payments that may be made out of the Company and its Sub-Funds as expenses and as charges for services in relation to the management, operation and administration of the Company and the Sub-Funds

7.1 Charges payable to the ACD

7.1.1 Annual Management Charge

In payment for carrying out its duties and responsibilities the ACD is entitled to take an annual fee out of the Scheme Property of each Sub-Fund as set out in Appendix I.

The annual management charge will accrue on a daily basis in arrears by reference to the Net Asset Value of the Sub-Funds on the immediately preceding Valuation Point and taking into account any subsequent changes to the Sub-Fund capital due to the creation or cancellation of shares. The amount due for each month is payable on the last Dealing Day of each month. The current annual management charges for the Sub-Funds (expressed as a percentage per annum of the Net Asset Value of the Sub-Funds) is set out in Appendix I.

The ACD may increase the rate of such charge by giving 60 days' notice to Shareholders and amending this Prospectus. The ACD is responsible for the payment of the fees of the Investment Manager.

7.1.2 ACD's Expenses

The ACD is also entitled to all reasonable, properly documented, out of pocket expenses incurred in the performance of its duties as set out above.

VAT is payable on the charges or expenses mentioned above, where appropriate.

If a Class's expenses in any period exceed its income the ACD may take that excess from the capital property attributable to that Class.

The current annual fee payable to the ACD for a Class may only be increased or a new type of remuneration introduced in accordance with the Regulations.

7.2 Depositary's Fee and Expenses

The Depositary is entitled to receive out of each Sub-Fund by way of remuneration a periodic charge, which will be calculated and accrue daily and be paid monthly as soon as practicable after the end of each month, and certain additional charges and expenses. The rate of the Depositary's periodic charge in respect of each Sub-Fund will be such rate or rates as agreed from time to time between the ACD and the Depositary in accordance with the COLL Sourcebook. The current rate of the Depositary's periodic charge in respect of each Sub-Fund is:

Value of Sub-Fund	Fee
£0 - £100 million	0.01%
£100 million - £200 million	0.0075%
£200 million and above	0.0050%

of the value of the Scheme Property of the Sub-Fund. In addition VAT on the amount of the periodic charge will be paid out of Scheme Property.

In the event of the termination of a Sub-Fund, the Depositary shall continue to be entitled to a periodic charge in respect of that Sub-Fund for the period up to and including the day on which the final distribution in the termination of the Sub-Fund shall be made or, in the case of a termination following the passing of an extraordinary resolution approving a scheme of arrangement, up to and including the final day on which the Depositary is responsible for the safekeeping of the Scheme Property of the Sub-Fund. Such periodic charge will be calculated, be subject to the same terms and accrue and be paid as described above, except that for the purpose of calculating the periodic charge in respect of any day falling after the day on which the termination of the Sub-Fund commences, the value of the Scheme Property of the Sub-Fund shall be its Net Asset Value determined at the beginning of each such day.

The Depositary Agreement between the Company and the Depositary provides that in addition to a periodic charge the Depositary may also be paid by way of remuneration custody fees where it acts as custodian and other transaction and bank charges. At present the Depositary acts as global custodian and delegates the function of custody of the Scheme Property to The Bank of New York Mellon SA/NV and The Bank of New York Mellon (the "Global Sub-Custodian"). In turn, the Global Sub-Custodian has sub-delegated the custody of assets in certain markets in which the Company may invest to various sub-delegates ("Sub-Custodians"). A list of Sub-Custodians is at Appendix VI.

The remuneration for acting as custodian is calculated at such rate and/or amount as the ACD and the Depositary may agree from time to time.

The current remuneration ranges from between 0.0075% per annum to 0.80% per annum of the value of the Scheme Property, plus VAT (if any) calculated at an ad valorem rate determined by the territory or country in which the assets of the Sub-Funds are held. The current range of transaction charges is between £1 and £150 per transaction plus VAT (if any). Charges for principal investment markets are:

	Transaction charge per trade	Custody charge % per annum
UK	£4.50	0.0075%
United States	£4.50	0.0075%
Germany	£7.50	0.0080%
Japan	£7.50	0.0080%

The custody charges are subject to minimum annual fees of £20,000 for each Sub-Fund. This minimum fee does not apply for the first year following the launch of each Sub-Fund. Custody and transaction charges will be payable monthly in arrears.

In addition to the remuneration referred to above, the Depositary is entitled to receive reimbursement for expenses properly incurred by it in discharge of its duties or exercising any powers conferred upon it in relation to the Company and each Sub-Fund. Such expenses include, but are not restricted to:

- i) delivery of stock to the Depositary or custodian;
- ii) custody of assets;
- iii) collection of income and capital;
- iv) submission of tax returns;
- v) handling tax claims;
- vi) preparation of the Depositary's annual report;
- vii) arranging insurance;
- viii) calling Shareholder meetings and otherwise communicating with Shareholders;

- ix) dealing with distribution warrants;
- x) taking professional advice;
- xi) conducting legal proceedings;
- xii) such other duties as the Depositary is permitted or required by law to perform.
- xiii) VAT (if any) in connection with any of the above is payable in addition.

Expenses not directly attributable to a particular Sub-Fund will be allocated between Sub-Funds. In each case such expenses and disbursements will also be payable if incurred by any person (including the ACD or an Associate or nominee of the Depositary or of the ACD) who has had the relevant duty delegated to it pursuant to the COLL Sourcebook by the Depositary.

7.3 Investment Manager's Fees and Expenses

The Investment Manager's fees and expenses (plus VAT thereon) for providing investment management services will be paid by the ACD out of its remuneration under the ACD Agreement. Such fee is payable monthly and is accrued daily in arrears by reference to the Net Asset Value of the Sub-Funds on the immediately preceding Dealing Day.

7.4 Registration Fees

The Registrar shall receive a fee out of the Scheme Property of each Sub-Fund for providing registration services for each Sub-Fund. Such fee is payable monthly and is accrued daily in arrears by reference to the Net Asset Value of the Sub-Funds on the immediately preceding Dealing Day. The registration fee is an amount equal to 0.01% of the net asset value of each of the Sub-Funds plus a charge of £40 per annum for each registered investor. Transaction fees are also payable to the Registrar at the rate of £8 per deal for STP transactions and £20 per deal for manual transactions.

In addition, the Registrar shall receive an annual fee of £2,000 for each Share Class of each Sub-Fund. Where a distribution is made, the Registrar shall receive a fee of £500 per Share Class for each distribution.

7.5 Administrator's Fee

The Administrator's fees and expenses in respect of fund accounting (plus any VAT thereon) shall be paid out of the Scheme Property of each Sub-Fund. Such fee is payable monthly and is accrued daily in arrears by reference to the Net Asset Value of the Sub-Funds on the immediately preceding Dealing Day. The current rate of these fees for each Sub-Fund is:

Value of Sub-Fund

£0 - £100 million	0.03%
£100 million - £300 million	0.025%
£300 million - £500 million	0.020%
£500 million and above	0.015%

The above fees are subject to a minimum annual fee of £30,000 per Sub-Fund. This minimum fee does not apply for the first year following the launch of each Sub-Fund.

7.6 Other Expenses

The Company or each Sub-Fund (as the case may be) may, so far as the COLL Sourcebook allows, also pay out of the Scheme Property all relevant costs, charges, fees and expenses including the following:

- 7.6.1 broker's commission, fiscal charges and other disbursements which are necessary to be incurred in effecting transactions for the Sub-Fund and normally shown in contract notes, confirmation notes and difference accounts as appropriate;
- 7.6.2 fees and expenses in respect of establishing and maintaining the Register of Shareholders, including any sub-registers kept for the purpose of the administration of Individual Savings Accounts, are payable monthly out of the Scheme Property of the Sub-Funds;
- 7.6.3 any costs incurred in or about the listing of Shares in the Company on any Stock Exchange, and the creation, conversion and cancellation of Shares;
- 7.6.4 any fees of the London Stock Exchange, or other sponsoring body, associated with the reporting obligations of the Company or the Sub-Funds as a counterparty to derivatives or other investment transactions;
- 7.6.5 any costs incurred in relation to data, including but not limited to costs associated with obtaining access to data systems;
- 7.6.6 costs incurred in obtaining ratings for the Sub-Funds from external ratings agencies;
- 7.6.7 any costs arising in connection with the publication and despatch of the price of Shares;
- 7.6.8 any costs incurred in respect of the preparation and filing of tax returns;
- 7.6.9 any costs incurred in collection, producing, distributing and dispatching income and other payments to Shareholders or any payments made by the Company;
- 7.6.10 costs and charges related to banking and banking transactions;
- 7.6.11 costs pertaining to the modification of the Instrument of Incorporation and Prospectus;
- 7.6.12 documentation costs and expenses, such as preparing, printing and distributing the Prospectus and the KIIDs, as well as the annual reports of the Company and any other documents made available to Shareholders;
- 7.6.13 any costs incurred by the Company in publishing the price of the Shares in a national or other newspaper or any other media;
- 7.6.14 any costs incurred in producing and dispatching any payments made by the Company, or the yearly and half-yearly reports of the Company;
- 7.6.15 any fees, expenses or disbursements of any legal or other professional adviser of the Company;
- 7.6.16 any costs incurred in taking out and maintaining an insurance policy in relation to the Company;
- 7.6.17 any costs incurred in respect of meetings of Shareholders convened for any purpose;
- 7.6.18 any payment permitted by clause 6.7.15R of the COLL Sourcebook;

- 7.6.19 interest on borrowings and charges incurred in effecting or terminating such borrowings or in negotiating or varying the terms of such borrowings;
- 7.6.20 taxation and duties payable in respect of the Scheme Property or the issue or redemption of Shares;
- 7.6.21 the audit fees of the Auditors (including VAT) and any expenses of the Auditors;
- 7.6.22 periodic fees of any regulatory authority in the United Kingdom and a country or territory outside the United Kingdom in which Shares in the Company are or may be marketed;
- 7.6.23 any expense incurred in relation to company secretarial duties including the cost of maintenance of minute books and other documentation required to be maintained by the Company;
- 7.6.24 the total amount of any cost relating to the authorisation, incorporation and establishment of the Company and of any Sub-Fund or Share Class;
- 7.6.25 costs associated with the establishment of further Sub-Funds and or Shares Classes;
- 7.6.26 any payments otherwise due by virtue of a change to the Regulations;
- 7.6.27 such other expenses as the ACD resolves are properly payable out of the Sub-Fund's property; and
- 7.6.28 any value added or similar tax relating to any change or expense set out herein.

The ACD is also entitled to be paid by the Company out of the Scheme Property any expenses incurred by the ACD or its delegates of the kinds described above.

Expenses are allocated between capital and income in accordance with the Regulations. However, the approach for a given Sub-Fund is set out in Appendix I. Where expenses are deducted in the first instance from income if and only if this is insufficient, deductions will be made from capital. If deductions were made from capital, this would result in capital erosion and constrain growth.

7.7 Allocation of Fees and Expenses between Sub-Funds

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

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

Where income is insufficient to pay charges the residual amount is taken from capital.

8. INSTRUMENT OF INCORPORATION

The Instrument of Incorporation is available for inspection at the ACD's offices at 2nd Floor 107 Cheapside, London EC2V 6DN.

9. **SHAREHOLDER MEETINGS AND VOTING RIGHTS**

9.1 **Class, Company and Sub-Fund Meetings**

The Company has dispensed with the holding of annual general meetings.

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

9.2 **Requisitions of Meetings**

The ACD may requisition a general meeting at any time.

Shareholders may also requisition a general meeting of the Company. A requisition by Shareholders must state the objects of the meeting, be dated, be signed by Shareholders who, at the date of the requisition, are registered as holding not less than one tenth in value of all Shares then in issue and the requisition must be deposited at the head office of the Company. The ACD must convene a general meeting no later than eight weeks after receipt of such requisition.

9.3 **Notice and Quorum**

Shareholders will receive at least 14 days' notice of a general meeting and are entitled to be counted in the quorum and vote at such meeting either in person or by proxy. The quorum for a meeting is two Shareholders, present in person or by proxy. The quorum for an adjourned meeting is one person entitled to be counted in a quorum. Notices of meetings and adjourned meetings will be sent to Shareholders at their registered addresses.

9.4 **Voting Rights**

At a general meeting, on a show of hands every Shareholder who (being an individual) is present in person or (being a corporation) is present by its representative properly authorised in that regard, has one vote.

On a poll vote, a Shareholder may vote either in person or by proxy. The voting rights attaching to each Share are such proportion of the voting rights attached to all the Shares in issue that the price of the Share bears to the aggregate price of all the Shares in issue at a reasonable date before the notice of meeting is sent out, such date to be decided by the ACD.

A Shareholder entitled to more than one vote need not, if they vote, use all their votes or cast all the votes they use in the same way.

In the case of joint Shareholders, the vote of the most senior Shareholder who votes, whether in person or by proxy, must be accepted to the exclusion of the votes of the other joint Shareholders. For this purpose seniority must be determined by the order in which the names stand in the Register.

Except where the COLL Sourcebook or the Instrument of Incorporation require an extraordinary resolution (which needs at least 75% of the votes cast at the meeting to be in favour if the resolution is to be passed) any resolution required by the COLL Sourcebook will be passed by a simple majority of the votes validly cast for and against the resolution.

The ACD may not be counted in the quorum for a meeting and neither the ACD nor any Associate (as defined in the COLL Sourcebook) of the ACD is entitled to vote at any meeting of the Company except in respect of Shares which the ACD or Associate holds on behalf of or jointly with a person who, if the registered Shareholder, would be entitled to vote and from whom the ACD or Associate has received voting instructions.

Where all the Shares in a Sub-Fund are registered to, or held by, the ACD or its Associates and they are therefore prohibited from voting and a resolution (including an extraordinary resolution) is required to conduct business at a meeting, it shall not be necessary to convene such a meeting and a resolution may, with the prior written agreement of the Depositary, instead be passed with the written consent

of Shareholders representing 50% or more, or for an extraordinary resolution 75% or more, of the Shares in issue.

“Shareholders” in this context means Shareholders entered on the register at a time to be determined by the ACD and stated in the notice of the meeting which must not be more than 48 hours before the time fixed for the meeting.

9.5 **Variation of Class or Sub-Fund Rights**

The rights attached to a Class or Sub-Fund may not be varied without the sanction of an extraordinary resolution passed at a meeting of Shareholders of that Class or Sub-Fund.

10. **TAXATION**

10.1 **General**

The information below is a general guide based on current United Kingdom law and HM Revenue & Customs practice, which are subject to change. It summarises the tax position of the Sub-Funds and of investors who are United Kingdom resident individuals and hold Shares as investments. The regime for taxation of income and capital gains received by individual investors depends on the tax law applicable to their personal circumstances and may be subject to change in the future. Prospective investors who are in any doubt about their tax position, or who may be subject to corporation tax in the United Kingdom or to tax in a jurisdiction other than the United Kingdom, are recommended to take professional advice.

10.2 **The Sub-Funds**

Each Sub-Fund will be treated as a separate open-ended investment company for United Kingdom tax purposes.

The Sub-Funds are generally exempt from United Kingdom tax on capital gains realised on the disposal of their investments (including interest-paying securities and economically-equivalent assets) held within them. However, any gains realised on disposing of holdings in non-reporting offshore funds are charged to tax as income and not capital.

Any dividend received by the Sub-Funds (whether directly or through another United Kingdom authorised investment fund) will generally be exempt from corporation tax. Each Sub-Fund will be subject to corporation tax on most other types of income but after deducting allowable management expenses and, where relevant, interest distributions. Where the Sub-Funds suffer foreign withholding tax on exempt income, this will generally be an irrecoverable tax expense.

Each Sub-Fund will make dividend distributions except where more than 60% of the value of a Sub-Fund's investments has been invested throughout the distribution period in qualifying assets (broadly, interest-paying assets and economically-equivalent assets), in which case it may make interest distributions.

10.3 **Shareholders**

10.3.1 **Dividend Distributions**

Dividend distributions paid to individuals resident in the United Kingdom by a Sub-Fund (which will be automatically retained in the Sub-Fund in the case of accumulation Shares) are liable to income tax.

Individuals liable to income tax at the basic, higher or additional rates may have a further liability to tax depending on the availability of other allowances and reliefs including the annual Dividend Allowance.

10.3.2 **Interest Distributions**

Interest distributions paid to individuals resident in the United Kingdom by a Sub-Fund (which will be automatically retained in the Sub-Fund in the case of accumulation Shares) are liable to income tax.

Individuals liable to income tax at the basic, higher or additional rates may have a further liability to tax depending on the availability of other allowances and reliefs including the annual Personal Savings Allowance.

10.3.3 **Income Equalisation**

The first income allocation received by a Shareholder after buying Shares may include an amount of income equalisation, which will be shown on the issued tax voucher. This is effectively a repayment of the income equalisation paid by the Shareholder as part of the purchase price. It is a return of capital, and is not taxable. Rather it should be deducted from the acquisition cost of the Shares for capital gains tax purposes.

10.3.4 **Tax Vouchers**

A tax voucher will be issued in line with the income distribution dates set out in Appendix 1. This voucher should be retained for tax purposes as evidence for HM Revenue & Customs.

The ACD reserves the right to charge an administration fee of £10 if a duplicate copy is required. To obtain a duplicate copy you will need to submit your request in writing, along with payment, to Carne Global Fund Managers (UK) Limited, Distributions Team, at the address of the Registrar.

10.3.5 **Capital Gains**

Shareholders may be liable to capital gains tax on gains arising from the redemption, transfer or other disposal of Shares. The rate of tax, and available reliefs, will be as applicable from time to time.

An exchange of Shares in one Sub-Fund of the Company for Shares in another Sub-Fund will generally be treated as a disposal for this purpose, but exchanges of Shares between classes within a Sub-Fund are generally not.

10.3.6 **Automatic Exchange of Information for International Tax Compliance**

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

When requested to do so by the ACD or its agent, Shareholders must provide tax residency, US citizenship and certain other information to be passed on to HM Revenue & Customs, and, by them, to any relevant overseas tax authorities. Shareholders must inform the ACD (or its agents) of any changes in circumstances affecting their tax residency and/or US citizenship status or any other information provided within 30 days of such change and provide updated documentation as required by the ACD (or its agent).

If a Shareholder fails to provide the information required by the Company to comply with its obligations to HMRC this may result in the ACD taking appropriate action against the Shareholder, which may include invoking the compulsory transfer and redemption provisions set out in paragraph 3.7.

11. **WINDING UP OF THE COMPANY OR TERMINATION OF A SUB-FUND**

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

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

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

- 11.1 if an extraordinary resolution to that effect is passed by Shareholders; or
- 11.2 when the period (if any) fixed for the duration of the Company or a particular Sub-Fund by the Instrument of Incorporation expires, or any event occurs on the occurrence of which the Instrument of Incorporation provides that the Company or a particular Sub-Fund is to be wound up (for example, if the Share capital of the Company or (in relation to any Sub-Fund) the Net Asset Value of the Sub-Fund is below £5 million, or if a change in the laws or regulations of any country means that, in the ACD's opinion, it is desirable to terminate the Sub-Fund); or
- 11.3 on the date stated in any agreement by the FCA to a request by the ACD for the revocation of the authorisation order in respect of the Company or for the termination of the relevant Sub-Fund.

On the occurrence of any of the above:

- 11.4 COLL 6.2 (Dealing), COLL 6.3 (Valuation and Pricing) and COLL 5 (Investment and borrowing powers) will cease to apply to the Company or the relevant Sub-Fund;
- 11.5 the Company will cease to issue and cancel Shares in the Company or the relevant Sub-Fund and the ACD shall cease to sell or redeem Shares or arrange for the Company to issue or cancel them for the Company or the relevant Sub-Fund;
- 11.6 no transfer of a Share shall be registered and no other change to the Register of Shareholders shall be made without the sanction of the ACD;
- 11.7 where the Company is being wound up or a Sub-Fund terminated, the Company or the Sub-Fund shall cease to carry on its business except in so far as it is beneficial for the winding up of the Company or for the termination of the Sub-Fund;
- 11.8 the corporate status and powers of the Company and subject to 11.4 to 11.7 above, the powers of the Depositary shall continue until the Company is dissolved.

The ACD shall, as soon as practicable after the Company falls to be wound up or the Sub-Fund terminated realise the assets and meet the liabilities of the Company or the Sub-Fund and, after paying out or retaining adequate provision for all liabilities properly payable and retaining provision for the costs of winding up or the termination, arrange for the Depositary to make one or more interim distributions out of the proceeds to Shareholders proportionately to their rights to participate in the Scheme Property. If the ACD has not previously notified Shareholders of the proposal to wind up the Company or terminate the Sub-Fund, the ACD shall, as soon as practicable after the commencement of winding up of the Company or the termination of the Sub-Fund, give written notice of the commencement to Shareholders. When the ACD has caused all of the Scheme Property to be realised and all of the liabilities of the Company or the particular Sub-Fund to be realised, the ACD shall arrange for the Depositary to make a final distribution to Shareholders on or prior to the date

on which the final account is sent to Shareholders of any balance remaining in proportion to their holdings in the Company or the particular Sub-Fund.

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

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

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

12. GENERAL INFORMATION

12.1 Accounting Periods

The annual accounting period of the Company ends each year on 30 June (the accounting reference date) with an interim accounting period ending on 31 December.

The ACD may even out the payments of income within an accounting period by carrying forward income otherwise distributable with a view to augmenting amounts to be paid out at a later date. Details of the Sub-Funds for which this policy is currently considered are set out in Appendix I.

12.2 Notice to Shareholders

All notices or other documents sent by the ACD to a Shareholder will be sent by normal post to the last address notified in writing to the Company by the Shareholder.

12.3 Income Allocations

Some Sub-Funds may have interim and final income allocations and other Sub-Funds may have quarterly income allocations and some Sub-Funds may only have final income allocation dates (see Appendix I). For each of the Sub-Funds income is allocated in respect of the income available at each accounting date.

In relation to income Shares, distributions of income for each Sub-Fund in which income Shares are issued are paid by electronic transfer directly into a Shareholder's bank account on or before the relevant income allocation date in each year as set out in Appendix I.

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

If a distribution made in relation to any income Shares remains unclaimed for a period of six years after it has become due, it will be forfeited and will revert to the relevant Sub-Fund (or, if that no longer exists, to the Company).

The amount available for distribution in any accounting period is calculated by taking the aggregate of the income received or receivable for the account of the relevant Sub-Fund in respect of that period, and deducting the charges and expenses of the relevant Sub-Fund paid or payable out of income in respect of that accounting period. The ACD then makes such other adjustments as it considers appropriate (and after consulting the Auditors as appropriate) in relation to taxation, income equalisation, income unlikely to be received within 12 months following the relevant income allocation

date, income which should not be accounted for on an accrual basis because of lack of information as to how it accrues, transfers between the income and capital account and other matters.

12.4 Annual Reports

Annual reports of the Company will be published within four months of the end of each annual accounting period and half-yearly reports will be published within two months of the end of each half-yearly interim accounting period.

Copies of the most recent annual and half-yearly reports of the Company can be obtained free of charge from the ACD or are available on its website

<https://www.carnegroup.com/disclaimers/disclaimer-cg-morningstar-multi-asset-funds-icvc>

12.5 Documents of the Company

The following documents may be inspected free of charge during normal business hours on any Business Day at the offices of the ACD at 2nd Floor, 107 Cheapside, London EC2V 6DN:

- 12.5.1 the Prospectus;
- 12.5.2 the most recent annual and half yearly reports of the Company;
- 12.5.3 the Instrument of Incorporation (and any amending documents); and
- 12.5.4 the material contracts referred to below.

Shareholders may obtain copies of the above documents from the ACD. The ACD may make a charge at its discretion for copies of documents (apart from the most recent versions of the Prospectus and annual and half yearly long reports of the Company which are available free of charge to anyone who requests). A paper copy of the Remuneration Policy (as detailed at section 12.14 below) is available free of charge at the registered office of the ACD on request, and up-to-date details of the Remuneration Policy are available at <https://www.carnegroup.com/funds>.

12.6 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:

- 12.6.1 the ACD Agreement between the Company, and the ACD; and
- 12.6.2 the Depositary Agreement between the Company, the Depositary and the ACD.

Details of the above contracts are given under section 6 "Management and Administration".

12.7 Provision of Investment Advice

All information concerning the Company and about investing in Shares of the Company is available from the ACD at 2nd Floor, 107 Cheapside, London EC2V 6DN . The ACD is not authorised to give investment advice and persons requiring such advice should consult a professional adviser. All applications for Shares are made solely on the basis of the current prospectus of the Company, and Shareholders should ensure that they have the most up to date version.

12.8 Telephone Recordings

Please note that the ACD and the Investment Manager will take all reasonable steps to record telephone conversations, and keep a copy of electronic communications, that relate to instructions to deal in the Company or the management of the assets of the Company. The ACD may also record calls for security, training and monitoring purposes, to confirm Shareholders instructions and for any other regulatory reason. Recordings will be retained for a period of at least five years from the date of such recording or, where requested by a competent authority, for a period of seven years.

12.9 **Complaints**

Complaints may be brought in writing to the Administrator and Registrar at Capital House, 2 Festival Square, Edinburgh EH3 9SU, or by email to carne@bnymellon.com or by telephone to 020 3528 4001.

All complaints will be handled in accordance with the ACD's internal complaint handling procedures. A copy of the ACD's Guide to making a complaint is available on request.

In the event that an unsatisfactory response is provided, you can refer your complaint to the Financial Ombudsman Service at: The Financial Ombudsman Service, Exchange Tower, London E14 9SR. Information about the Financial Ombudsman can be found on its website at www.financial-ombudsman.org.uk.

In the event of the ACD being unable to meet its liabilities to Shareholders, details about rights to compensation can be found at www.fscs.org.uk.

12.10 **Risk Management**

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

- 12.10.1 the quantitative limits applying in the risk management of any Sub-Fund;
- 12.10.2 the methods used in relation to 12.10.1; and
- 12.10.3 any recent development of the risk and yields of the main categories of investment.

12.11 **Indemnity**

The Instrument of Incorporation contains provisions indemnifying the Directors, other officers and the Auditors or the Depositary against liability in certain circumstances otherwise than in respect of their negligence, default, breach of duty or breach of trust, and indemnifying the Depositary against liability in certain circumstances otherwise than in respect of its failure to exercise due care and diligence in the discharge of its functions in respect of the Company.

12.12 **Strategy for the Exercise of Voting Rights**

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

12.13 **Best Execution**

The ACD expects the Investment Manager to act in the best interest of each Sub-Fund when executing decisions to deal on behalf of the relevant Sub-Fund and requires the Investment Manager to maintain an order execution policy, in accordance with the Regulations, to ensure that all sufficient steps are taken to obtain the best possible result for the relevant Sub-Fund.

12.14 **Remuneration Policy**

The ACD has put in place a remuneration policy (the "**Remuneration Policy**") that is in accordance with the requirements of SYSC 19E of the FCA. 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 and are consistent with the risk profile of the Sub-Funds. The ACD considers the Remuneration Policy to be appropriate to the size, internal operations, nature scale and complexity of the Sub-Funds and in line with the risk profile, risk appetite and the strategy of the Sub-Funds.

The matters covered by the Remuneration Policy include:

- 12.14.1 An assessment of the individual member of staff's performance;
- 12.14.2 restrictions on the awarding of guaranteed variable remuneration;
- 12.14.3 the balance between fixed and variable remuneration;
- 12.14.4 payment of remuneration in the form of units or shares in the Sub-Funds;
- 12.14.5 a mandatory deferral period of at least 3 years for the payment of a substantial portion of the variable remuneration component;
- 12.14.6 the reduction or cancellation of remuneration in the case of underperformance.

The Remuneration Policy will apply to the fixed and variable (if any) remuneration received by the identified staff.

In respect of any investment management delegates, the ACD requires that: (i) the entities to which such activities have been delegated are subject to regulatory requirements on remuneration that are equally as effective as those applicable under the European Securities and Market's (ESMA's) Guidelines on Sound Remuneration Policies under the UCITS Directive and AIFMD/Article 14 of the UCITS Directive; or (ii) appropriate contractual arrangements are put in place with entities to which such activities have been delegated in order to ensure that there is no circumvention of the remuneration rules set out in the ESMA Guidelines or the FCA Handbook.

APPENDIX I

SUB-FUND DETAILS

Name:	CG Morningstar Multi Asset 40 Fund*
Product Reference Number:	To be provided.
Type of Sub-Fund:	UCITS scheme
Investment Objective:	CG Morningstar Multi Asset 40 Fund aims to provide capital growth over a rolling five year period.

* *As of 20 November 2020, the Sub-Fund has not yet launched.

Investment Policy:

The Sub-Fund is an actively managed fund largely investing in other funds, primarily within the core asset classes of equity and fixed income. 30-50% of the Net Asset Value of the Sub-Fund is in equities. This exposure is typically around the middle of the stated range as indicated in the Sub-Fund name. 30-70% may consist of fixed income securities, of which no more than 15% will be invested in high yield bonds.*

Investment in other funds is mainly in UK and overseas passive funds to limit underlying fund costs, but there may also be some exposure to active funds if the Investment Manager considers that value can be added above the cost of investment. The other funds in which the Sub-Fund invests may include other funds managed by the ACD or its Associates and closed-ended investment companies.

The Sub-Fund may hold smaller positions, typically no greater than 15% in aggregate, in alternative asset classes including hedge funds, commodities, commercial real estate and infrastructure. These will be indirect exposures through investment in funds. In addition there is a 5% maximum limit on the aggregate exposure to investments that cannot be liquidated quickly, typically in less than a calendar month.

There may also be some direct investment in transferable securities, money-market instruments, cash and cash deposits.

The Sub-Fund may invest in derivatives for efficient portfolio management purposes (including the hedging of risk).

The Sub-Fund's exposure is across a range of asset classes, sectors and strategies. This includes:

Domestic shares (UK);

International shares;

Real Estate Investment Trusts (REITs);

Listed infrastructure shares;

Government bonds;

Corporate bonds (including high yield);

Emerging Market Debt (EMD);

Inflation-linked bonds; and

Cash.

* The Sub-Fund is managed to stay within the stated ranges most of the time.

Investment Strategy:

The Sub-Fund is part of a range of multi-asset (see below) Sub-Funds.

The Investment Manager has a focus on asset class research. The investment process adopts a long-term, valuation-driven approach combining quantitative and fundamental analysis underpinned by core investment principles that guide all decisions. The maintenance of valuation models on over 350 asset class groupings enables the Investment Manager to compare the attractiveness of assets with different characteristics and identify those that look unusually priced relative to expectations of their long-term fair return. Detailed analysis, rigorous internal review and challenge leads to a determination of the "asset allocation", i.e. the mix of asset classes, geographies and sectors for the Sub-Fund.

To identify appropriate funds as vehicles for the Sub-Fund to achieve its investment exposure, potential fund holdings are assessed using the following criteria:

- quality of the relevant fund management company and of its parent company;
- quality of the relevant investment team;
- quality of their investment process;
- competitiveness of costs; and
- long-term expected returns.

The asset class exposure of the Sub-Fund is limited by minimum and maximum exposure limits. These exposure limits include holdings of broad asset classes such as equity, fixed income and cash as well as more granular exposure limits on equity countries, sectors, market capitalisation, duration, credit quality and currency exposure. The asset allocation is actively reviewed on an ongoing basis and changes made as considered appropriate.

Comparator Benchmark:

The Sub-Fund's performance may be compared to the IA Mixed Investment 20-60% Shares which has been chosen because it is representative of the type of assets in which the Sub-Fund invests. It is therefore an appropriate comparator for the Sub-Fund's performance.

Initial Offer Period:

1 day (30 November 2020)

Initial Offer Price:

£1

Final Accounting Date:

30 June

Interim Accounting Dates:

31 December

Income Distribution Dates:

N/A

Shares Classes and type of Shares:

Accumulation Class A
Accumulation Class M*

Initial Charge	N/A	
Redemption Charge:	Nil	
Switching Charge:	Nil	
Annual Management Charge:	Class A – 0.22% Class M – 0.12%	
Charges taken from Income:	Income	Capital
AMC:	100%	Only where income is insufficient in the first instance.
Ongoing Operating Costs:	100%	Only where income is insufficient in the first instance.
Dealing and Registration:	100%	Only where income is insufficient in the first instance.
Depository:	100%	Only where income is insufficient in the first instance.
Custody:	100%	Only where income is insufficient in the first instance.
Portfolio Transactions (Broker's commission):	Nil	100%
Investment Minima:**		
Initial Investment:	Class A – £500 Class M – £50,000,000	
Subsequent Investment:	Class A – N/A Class M – N/A	
Holding:	Class A – N/A Class M – £50,000,000	
Past Performance:	Past performance information is set out in Appendix V.	

* Class M Shares are available only with the prior agreement of the ACD.

** The ACD may waive the minimum levels at its discretion.

SUB-FUND DETAILS

Name:	CG Morningstar Multi Asset 60 Fund*
Product Reference Number:	To be provided.
Type of Sub-fund:	UCITS scheme
Investment Objective:	CG Morningstar Multi Asset 60 Fund aims to provide capital growth over a rolling five year period.

* As of 20 November 2020, the Sub-Fund has not yet launched.

Investment Policy:

The Sub-Fund is an actively managed fund largely investing in other funds, primarily within the core asset classes of equity and fixed income. 50-70% of the Net Asset Value of the Sub-Fund is in equities. This exposure is typically around the middle of the stated range as indicated in the Sub-Fund name. 20-50% may consist of fixed income securities, of which no more than 20% will be invested in high yield bonds.*

Investment in other funds is mainly in UK and overseas passive funds to limit underlying fund costs, but there may also be some exposure to active funds if the Investment Manager considers that value can be added above the cost of investment. The other funds in which the Sub-Fund invests may include other funds managed by the ACD or its Associates and closed-ended investment companies.

The Sub-Fund may hold smaller positions, typically no greater than 15% in aggregate, in alternative asset classes including hedge funds, commodities, commercial real estate and infrastructure. These will be indirect exposures through investment in funds. In addition there is a 5% maximum limit on the aggregate exposure to investments that cannot be liquidated quickly, typically in less than a calendar month.

There may also be some direct investment in transferable securities, money-market instruments, cash and cash deposits.

The Sub-Fund may invest in derivatives for efficient portfolio management purposes (including the hedging of risk).

The Sub-Fund's exposure is across a range of asset classes, sectors and strategies. This includes:

Domestic shares (UK);

International shares;

Real Estate Investment Trusts (REITs);

Listed infrastructure shares;

Government bonds;

Corporate bonds (including high yield);

Emerging Market Debt (EMD);

Inflation-linked bonds; and

Cash.

* The Sub-Fund is managed to stay within the stated ranges most of the time.

Investment Strategy:

The Sub-Fund is part of a range of multi-asset (see below) Sub-Funds.

The Investment Manager has a focus on asset class research. The investment process adopts a long-term, valuation-driven approach combining quantitative and fundamental analysis underpinned by core investment principles that guide all decisions. The maintenance of valuation models on over 350 asset class groupings enables the Investment Manager to compare the attractiveness of assets with different characteristics and identify those that look unusually priced relative to expectations of their long-term fair return. Detailed analysis, rigorous internal review and challenge leads to a determination of the "asset allocation", i.e. the mix of asset classes, geographies and sectors for the Sub-Fund.

To identify appropriate funds as vehicles for the Sub-Fund to achieve its investment exposure, potential fund holdings are assessed using the following criteria:

- quality of the relevant fund management company and of its parent company;
- quality of the relevant investment team;
- quality of their investment process;
- competitiveness of costs; and
- long-term expected returns.

The asset class exposure of the Sub-Fund is limited by minimum and maximum exposure limits. These exposure limits include holdings of broad asset classes such as equity, fixed income and cash as well as more granular exposure limits on equity countries, sectors, market capitalisation, duration, credit quality and currency exposure. The asset allocation is actively reviewed on an ongoing basis and changes made as considered appropriate.

Comparator Benchmark:

The Sub-Fund's performance may be compared to the IA Mixed Investment 40-85% Shares which has been chosen because it is representative of the type of assets in which the Sub-Fund invests. It is therefore an appropriate comparator for the Sub-Fund's performance.

Initial Offer Period:

1 day (30 November 2020)

Initial Offer Price:

£1

Final Accounting Date:

30 June

Interim Accounting Dates:

31 December

Income Distribution Dates:

N/A

Shares Classes and type of Shares:

Accumulation Class A
Accumulation Class M*

Initial Charge

N/A

Redemption Charge:	Nil	
Switching Charge:	Nil	
Annual Management Charge:	Class A – 0.22% Class M – 0.12%	
Charges taken from Income:	Income	Capital
AMC:	100%	Only where income is insufficient in the first instance.
Ongoing Operating Costs:	100%	Only where income is insufficient in the first instance.
Dealing and Registration:	100%	Only where income is insufficient in the first instance.
Depository:	100%	Only where income is insufficient in the first instance.
Custody:	100%	Only where income is insufficient in the first instance.
Portfolio Transactions (Broker's commission):	Nil	100%
Investment Minima:**		
Initial Investment:	Class A – £500 Class M – £50,000,000	
Subsequent Investment:	Class A – N/A Class M – N/A	
Holding:	Class A – N/A Class M – £50,000,000	
Past Performance:	Past performance information is set out in Appendix V.	

* Class M Shares are available only with the prior agreement of the ACD.

** The ACD may waive the minimum levels at its discretion.

Name:	CG Morningstar Multi Asset 80 Fund*
Product Reference Number:	To be provided.
Type of Sub-Fund:	UCITS scheme
Investment Objective:	CG Morningstar Multi Asset 80 Fund aims to provide capital growth over a rolling seven year period.

*As of 20 November 2020, the Sub-Fund has not yet launched.

Investment Policy:

The Sub-Fund is an actively managed fund largely investing in other funds, primarily within the core asset classes of equity and fixed income. 70- 90% of the Net Asset Value of the Sub-Fund is in equities. This exposure is typically around the middle of the stated range as indicated in the Sub-Fund name. 10-30% may consist of fixed income securities, of which no more than 20% will be invested in high yield bonds.*

Investment in other funds is mainly in UK and overseas passive funds to limit underlying fund costs, but there may also be some exposure to active funds if the Investment Manager considers that value can be added above the cost of investment. The other funds in which the Sub-Fund invests may include other funds managed by the ACD or its Associates and closed-ended investment companies.

The Sub-Fund may hold smaller positions, typically no greater than 15% in aggregate, in alternative asset classes including hedge funds, commodities, commercial real estate and infrastructure. These will be indirect exposures through investment in funds. In addition there is a 5% maximum limit on the aggregate exposure to investments that cannot be liquidated quickly, typically in less than a calendar month.

There may also be some direct investment in transferable securities, money-market instruments, cash and cash deposits.

The Sub-Fund may invest in derivatives for efficient portfolio management purposes (including the hedging of risk).

The Sub-Fund's exposure is across a range of asset classes, sectors and strategies. This includes:

Domestic shares (UK);

International shares;

Real Estate Investment Trusts (REITs);

Listed infrastructure shares;

Government bonds;

Corporate bonds (including high yield);

Emerging Market Debt (EMD);

Inflation-linked bonds; and

Cash.

* The Sub-Fund is managed to stay within the stated ranges most of the time.

Investment Strategy

The Sub-Fund is part of a range of multi-asset (see below) Sub-Funds.

The Investment Manager has a focus on asset class research. The investment process adopts a long-term, valuation-driven approach combining quantitative and fundamental analysis underpinned by core investment principles that guide all decisions. The maintenance of valuation models on over 350 asset class groupings enables the Investment Manager to compare the attractiveness of assets with different characteristics and identify those that look unusually priced relative to expectations of their long-term fair return. Detailed analysis, rigorous internal review and challenge leads to a determination of the "asset allocation", i.e. the mix of asset classes, geographies and sectors for the Sub-Fund.

To identify appropriate funds as vehicles for the Sub-Fund to achieve its investment exposure, potential fund holdings are assessed using the following criteria:

- quality of the relevant fund management company and of its parent company;
- quality of the relevant investment team;
- quality of their investment process;
- competitiveness of costs; and
- long-term expected returns.

The asset class exposure of the Sub-Fund is limited by minimum and maximum exposure limits. These exposure limits include holdings of broad asset classes such as equity, fixed income and cash as well as more granular exposure limits on equity countries, sectors, market capitalisation, duration, credit quality and currency exposure. The asset allocation is actively reviewed on an ongoing basis and changes made as considered appropriate.

Comparator Benchmark:

The Sub-Fund's performance may be compared to blended benchmark comprising 45% of the IA UK All Companies and 55% of IA Mixed Investment 40-85% Shares which has been chosen because it is representative of the type of assets in which the Sub-Fund invests. It is therefore an appropriate comparator for the Sub-Fund's performance.

Initial Offer Period: 1 day (30 November 2020)

Initial Offer Price: £1

Final Accounting Date: 30 June

Interim Accounting Dates: 31 December

Income Distribution Dates: N/A

Shares Classes and type of Shares: Accumulation Class A
Accumulation Class M*

Initial Charge N/A

Redemption Charge:	Nil	
Switching Charge:	Nil	
Annual Management Charge:	Class A – 0.22% Class M – 0.12%	
Charges taken from Income:	Income	Capital
AMC:	100%	Only where income is insufficient in the first instance.
Ongoing Operating Costs:	100%	Only where income is insufficient in the first instance.
Dealing and Registration:	100%	Only where income is insufficient in the first instance.
Depository:	100%	Only where income is insufficient in the first instance.
Custody:	100%	Only where income is insufficient in the first instance.
Portfolio Transactions (Broker’s commission):	Nil	100%
Investment Minima:**		
Initial Investment:	Class A – £500 Class M – £50,000,000	
Subsequent Investment:	Class A – N/A Class M – N/A	
Holding:	Class A – N/A Class M – £50,000,000	
Past Performance:	Past performance information is set out in Appendix V.	

* Class M Shares are available only with the prior agreement of the ACD.

** The ACD may waive the minimum levels at its discretion.

APPENDIX II

ELIGIBLE SECURITIES MARKETS AND ELIGIBLE DERIVATIVES MARKETS

Eligible Securities Markets:

Each of the Sub-Funds may deal through securities and derivatives markets which are regulated markets (as defined in the glossary to the FCA Handbook) or markets established in an EEA State which are regulated, operate regularly and are open to the public.

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

Eligible Securities Markets

United States of America	New York Stock Exchange
	The NASDAQ Stock Market (NASDAQ)
	NYSE American
Australia	Australian Securities Exchange (ASX)
Canada	Toronto Stock Exchange (TSX)
	TSX Venture Exchange
Colombia	Bolsa de Valores de Colombia (BVC)
Hong Kong	Hong Kong Exchange
Japan	Tokyo Stock Exchange
	Osaka Exchange
Republic of Korea (South Korea)	Korea Exchange (KRX)
Kuwait	Kuwait Stock Exchange
Mexico	Bolsa Mexicana de Valores (BMV)
New Zealand	New Zealand Exchange (NZX)
Qatar	Qatar Exchange
Singapore	Singapore Exchange (SGX)
South Africa	JSE Limited
Switzerland	SIX Swiss Exchange (SWX)
Thailand	The Stock Exchange of Thailand (SET)
United Arab Emirates	Abu Dhabi Securities Exchange
	NASDAQ Dubai

Eligible Derivatives Markets

United States of America	Chicago Board of Trade
	Chicago Board Options Exchange
	Chicago Mercantile Exchange
	NASDAQ OMX PHLX
	New York Mercantile Exchange (NYMEX)
	NYSE Arca

Australia	Australian Securities Exchange (ASX)
Canada	Montreal Exchange (MX)
Denmark	NASDAQ Copenhagen
Finland	NASDAQ Helsinki
France	Euronext Paris
Germany	Eurex Deutschland
Hong Kong	Hong Kong Exchanges and Clearances Limited
Japan	Osaka Exchange Tokyo Stock Exchange
Mexico	Bolsa Mexicana de Valores (BMV)
The Netherlands	Euronext Amsterdam
Spain	MEFF Renta Fija MEFF Renta Variable
South Africa	JSE Limited
Sweden	NASDAQ Stockholm AB
Switzerland	EUREX
UK	EDX London ICE Futures Europe London Stock Exchange (LSE) London Metals Exchange (LME)
United Arab Emirates	NASDAQ Dubai

APPENDIX III

INVESTMENT AND BORROWING POWERS OF THE COMPANY

1. General

The Scheme Property will be invested with the aim of achieving the investment objective of the relevant Sub-Fund but subject to the limits set out in the Sub-Fund's investment policy and the limits set out in Chapter 5 of the COLL Sourcebook ("COLL 5") and this Prospectus. These limits apply to each Sub-Fund as summarised below.

From time to time and in particular during periods of uncertain or volatile markets, the Investment Manager may choose to hold a substantial proportion of the Scheme Property of the Sub-Funds in money-market instruments and/or cash deposits.

The Sub-Funds will not maintain an interest in any immovable property or moveable property for the direct pursuit of the ICVC's business.

1.1 Prudent spread of risk

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

1.2 Cover

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

1.2.2 Where a rule in COLL 5 permits an investment transaction to be entered into or an investment to be retained only if that investment transaction, or the retention, or other similar transactions, are covered:

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

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

2. UCITS Schemes - general

2.1 Subject to the investment objective and policy of a Sub-Fund, the Scheme Property of a Sub-Fund must, except where otherwise provided in COLL 5, only consist of any or all of:

2.1.1 transferable securities;

2.1.2 approved money-market instruments;

2.1.3 permitted units in collective investments schemes;

2.1.4 permitted derivatives and forward transactions; and

2.1.5 permitted deposits

3. **Transferable Securities**

- 3.1 A transferable security is an investment falling within article 76 (Shares etc), article 77 (instruments creating or acknowledging indebtedness), article 77A (alternative debentures), article 78 (government and public securities), article 79 (instruments giving entitlement to investments) and article 80 (certificates representing certain securities) of the Regulated Activities Order.
- 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 of this Appendix to an investment which is issued by a body corporate, and which is an investment falling within articles 76 (Shares, etc) or 77 (instruments creating or acknowledging indebtedness) of the Regulated Activities Order, the need for any consent on the part of the body corporate or any members or debenture holders of it may be ignored.
- 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 A Sub-Fund may invest in a transferable security only to the extent that the transferable security fulfils the following criteria:
- 3.5.1 the potential loss which a Sub-Fund may incur with respect to holding the transferable security is limited to the amount paid for it;
 - 3.5.2 its liquidity does not compromise the ability of the ACD to comply with its obligation to redeem Shares at the request of any qualifying Shareholder under the FCA Handbook;
 - 3.5.3 reliable valuation is available for it as follows:
 - 3.5.3.1 in the case of a transferable security admitted to or dealt in on an eligible market, where there are accurate, reliable and regular prices which are either market prices or prices made available by valuation systems independent from issuers;
 - 3.5.3.2 in the case of a transferable security not admitted to or dealt in on an eligible market, where there is a valuation on a periodic basis which is derived from information from the issuer of the transferable security or from competent investment research;
 - 3.5.4 appropriate information is available for it as follows:
 - 3.5.4.1 in the case of a transferable security admitted to or dealt in on an eligible market, where there is regular, accurate and comprehensive information available to the market on the transferable security or, where relevant, on the portfolio of the transferable security;
 - 3.5.4.2 in the case of a transferable security not admitted to or dealt in on an eligible market, where there is regular and accurate information available to the ACD on the transferable security or, where relevant, on the portfolio of the transferable security;
 - 3.5.5 it is negotiable; and
 - 3.5.6 its risks are adequately captured by the risk management process of the ACD.
- 3.6 Unless there is information available to the ACD that would lead to a different determination, a transferable security which is admitted to or dealt in on an eligible market shall be presumed:

3.6.1 not to compromise the ability of the ACD to comply with its obligation to redeem Shares at the request of any qualifying Shareholder; and

3.6.2 to be negotiable.

3.7 No more than 5% of the Scheme Property of a Sub-Fund may be invested in warrants.

4. **Closed end funds constituting transferable securities**

4.1 A unit or a share in a closed end fund shall be taken to be a transferable security for the purposes of investment by a Sub-Fund, provided it fulfils the criteria for transferable securities set out in paragraph 3.5 and either:

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

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

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

4.1.2 Where the closed end fund is constituted under the law of contract:

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

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

5. **Transferable securities linked to other assets**

5.1 A Sub-Fund may invest in any other investment which shall be taken to be a transferable security for the purposes of investment by a Sub-Fund provided the investment:

5.1.1 fulfils the criteria for transferable securities set out in 3.5 above; and

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

5.2 Where an investment in 5.1 contains an embedded derivative component, the requirements of this section with respect to derivatives and forwards will apply to that component.

6. **Approved Money-Market Instruments**

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

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

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

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

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

6.2.4 has a risk profile, including credit and interest rate risks, corresponding to that of an instrument which has a maturity as set out in 6.2.1 or 6.2.2 or is subject to yield adjustments as set out in 6.2.3.

6.3 A money-market instrument shall be regarded as liquid if it can be sold at limited cost in an adequately short time frame, taking into account the obligation of the ACD to redeem Shares at the request of any qualifying Shareholder.

6.4 A money-market instrument shall be regarded as having a value which can be accurately determined at any time if accurate and reliable valuations systems, which fulfil the following criteria, are available:

6.4.1 enabling the ACD to calculate a net asset value in accordance with the value at which the instrument held in the Scheme Property of a Sub-Fund could be exchanged between knowledgeable willing parties in an arm's length transaction; and

6.4.2 based either on market data or on valuation models including systems based on amortised costs.

6.5 A money-market instrument that is normally dealt in on the money-market and is admitted to or dealt in on an eligible market shall be presumed to be liquid and have a value which can be accurately determined at any time unless there is information available to the ACD that would lead to a different determination.

7. **Transferable securities and money-market instruments generally to be admitted or dealt in on an Eligible Market**

7.1 Transferable securities and approved money-market instruments held within a Sub-Fund must be:

7.1.1 admitted to or dealt in on an eligible market as described in 8.3.1; or

7.1.2 dealt in on an eligible market as described in 8.3.2; or

7.1.3 admitted to or dealt in on an eligible market as described in 8.4; or

7.1.4 for an approved money-market instrument not admitted to or dealt in on an eligible market, within 9.1; or

7.1.5 recently issued transferable securities provided that:

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

7.1.5.2 such admission is secured within a year of issue.

7.2 However, a Sub-Fund may invest no more than 10% of its Scheme Property in transferable securities and approved money-market instruments other than those referred to in 7.1.

8. **Eligible markets regime**

8.1 To protect investors the markets on which investments of a Sub-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.

8.2 Where a market ceases to be eligible, investments on that market cease to be approved securities. The 10% 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.

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

8.3.1 a regulated market as defined in the FCA Handbook; or

8.3.2 a market in an EEA State which is regulated, operates regularly and is open to the public; or

8.3.3 a market in paragraph 8.4 of this Appendix.

8.4 A market not falling within paragraph 8.3.1 and 8.3.2 of this Appendix is eligible for the purposes of COLL 5 if:

8.4.1 the ACD, after consultation and notification with the Depositary, decides that market is appropriate for investment of, or dealing in, the Scheme Property;

8.4.2 the market is included in a list in the Prospectus; and

8.4.3 the Depositary has taken reasonable care to determine that:

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

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

8.5 In paragraph 8.4.1 a market must not be considered appropriate unless it is regulated, operates regularly, is recognised, is open to the public, is adequately liquid and has adequate arrangements for unimpeded transmission of income and capital to or for the order of investors.

8.6 The Eligible Markets for the Sub-Funds are set out in Appendix II.

9. **Money-market instruments with a regulated issuer**

9.1 In addition to instruments admitted to or dealt in on an eligible market, a Sub-Fund may invest in an approved money-market instrument provided it fulfils the following requirements:

9.1.1 the issue or the issuer is regulated for the purpose of protecting Shareholders and savings; and

9.1.2 the instrument is issued or guaranteed in accordance with paragraph 10 (Issuers and guarantors of money-market instruments) below.

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

9.2.1 the instrument is an approved money-market instrument;

9.2.2 appropriate information is available for the instrument (including information which allows an appropriate assessment of the credit risks related to investment in it), in accordance with paragraph 11 (Appropriate information for money-market instruments) below; and

9.2.3 the instrument is freely transferable.

10. **Issuers and guarantors of money-market instruments**

10.1 A Sub-Fund may invest in an approved money-market instrument if it is:

10.1.1 issued or guaranteed by any one of the following:

- 10.1.1.1 a central authority of an EEA State or, if the EEA State is a federal state, one of the members making up the federation;
- 10.1.1.2 a regional or local authority of an EEA State;
- 10.1.1.3 the European Central Bank or a central bank of an EEA State;
- 10.1.1.4 the European Union or the European Investment Bank;
- 10.1.1.5 a non-EEA State or, in the case of a federal state, one of the members making up the federation;
- 10.1.1.6 a public international body to which one or more EEA States belong; or
- 10.1.2 issued by a body, any securities of which are dealt in on an eligible market; or
- 10.1.3 issued or guaranteed by an establishment which is:
 - 10.1.3.1 subject to prudential supervision in accordance with criteria defined by European Union law; or
 - 10.1.3.2 subject to and complies with prudential rules considered by the FCA to be at least as stringent as those laid down by European Union law.
- 10.2 An establishment shall be considered to satisfy the requirement in 10.1.3.2 if it is subject to and complies with prudential rules, and fulfils one or more of the following criteria:
 - 10.2.1 it is located in the European Economic Area;
 - 10.2.2 it is located in an OECD country belonging to the Group of Ten;
 - 10.2.3 it has at least investment grade rating;
 - 10.2.4 on the basis of an in-depth analysis of the issuer, it can be demonstrated that the prudential rules applicable to that issuer are at least as stringent as those laid down by European Union law.

11. **Appropriate information for money-market instruments**

- 11.1 In the case of an approved money-market instrument within 10.1.2 or issued by a body of the type referred to in COLL 5.2.10EG, or which is issued by an authority within 10.1.1.2 or a public international body within 10.1.1.6 but is not guaranteed by a central authority within 10.1.1.1, the following information must be available:
 - 11.1.1 information on both the issue or the issuance programme, and the legal and financial situation of the issuer prior to the issue of the instrument, verified by appropriately qualified third parties not subject to instructions from the issuer;
 - 11.1.2 updates of that information on a regular basis and whenever a significant event occurs; and
 - 11.1.3 available and reliable statistics on the issue or the issuance programme.
- 11.2 In the case of an approved money-market instrument issued or guaranteed by an establishment within 10.1.3, the following information must be available:

- 11.2.1 information on the issue or the issuance programme or on the legal and financial situation of the issuer prior to the issue of the instrument;
 - 11.2.2 updates of that information on a regular basis and whenever a significant event occurs; and
 - 11.2.3 available and reliable statistics on the issue or the issuance programme, or other data enabling an appropriate assessment of the credit risks related to investment in those instruments.
- 11.3 In the case of an approved money-market instrument:
- 11.3.1 within 10.1.1.1, 10.1.1.4 above or 10.1.1.5 above; or
 - 11.3.2 which is issued by an authority within 10.1.1.2 or a public international body within 10.1.1.6 above and is guaranteed by a central authority within 10.1.1;
- information must be available on the issue or the issuance programme, or on the legal and financial situation of the issuer prior to the issue of the instrument.

12. **Spread: general**

- 12.1 This rule on spread does not apply in respect of a transferable security or an approved money-market instrument to which COLL 5.2.12R (Spread: government and public securities) applies.
- 12.2 For the purposes of this requirement companies included in the same group for the purposes of consolidated accounts as defined in accordance with Directive 83/349/EEC or in the same group in accordance with international accounting standards are regarded as a single body.
- 12.3 Not more than 20% in the value of the Scheme Property is to consist of deposits with a single body.
- 12.4 Not more than 5% in value of the Scheme Property of a Sub-Fund is to consist of transferable securities or approved money-market instruments issued by any single body, except that the limit of 5% is raised to 10% in respect of up to 40% in value of the Scheme Property (covered bonds need not be taken into account for the purposes of applying the limit of 40%). For these purposes certificates representing certain securities are treated as equivalent to the underlying security.
- 12.5 The limit of 5% is raised to 25% in value of the Scheme Property in respect of covered bonds provided that when a Sub-Fund invests more than 5% in covered bonds issued by a single body, the total value of covered bonds held must not exceed 80% in value of the Scheme Property.
- 12.6 The exposure to any one counterparty in an OTC derivative transaction must not exceed 5% in value of the Scheme Property of a Sub-Fund. This limit is raised to 10% where the counterparty is an Approved Bank.
- 12.7 Not more than 20% in value of the Scheme Property of a Sub-Fund is to consist of transferable securities and approved money-market instruments issued by the same group.
- 12.8 COLL 5 provides that not more than 20% in value of the Scheme Property of a Sub-Fund is to consist of the units of any one collective investment scheme.
- 12.9 COLL 5 provides that in applying the limits in 12.3, 12.4 , and 12.6 in relation to a single body, and subject to 12.5, not more than 20% in value of the Scheme Property of a Sub-Fund is to consist of any combination of two or more of the following:
- 12.9.1 transferable securities (including covered bonds) or approved money-market instruments issued by that body;

12.9.2 deposits made with that body; or

12.9.3 exposures from OTC derivatives transactions made with that body.

13. **Counterparty risk and issuer concentration**

13.1 The ACD must ensure that counterparty risk arising from an OTC derivative is subject to the limits set out in paragraphs 12.6 and 12.9 above.

13.2 When calculating the exposure of a Sub-Fund to a counterparty in accordance with the limits in paragraph 12.6 the ACD must use the positive mark-to-market value of the OTC derivative contract with that counterparty.

13.3 The ACD may net the OTC derivative positions of a Sub-Fund with the same counterparty, provided they are able legally to enforce netting agreements with the counterparty on behalf of the Sub-Fund.

13.4 The netting agreements in paragraph 13.3 above are permissible only with respect to OTC derivatives with the same counterparty and not in relation to any other exposures the Sub-Fund may have with that same counterparty.

13.5 The ACD may reduce the exposure of Scheme Property to a counterparty of an OTC derivative through the receipt of collateral. Collateral received must be sufficiently liquid so that it can be sold quickly at a price that is close to its pre-sale valuation.

13.6 The ACD must take collateral into account in calculating exposure to counterparty risk in accordance with the limits in paragraph 13.8 when it passes collateral to an OTC counterparty on behalf of a Sub-Fund.

13.7 Collateral passed in accordance with paragraph 13.6 may be taken into account on a net basis only if the ACD is able legally to enforce netting arrangements with this counterparty on behalf of that Sub-Fund.

13.8 The ACD must calculate the issuer concentration limits referred to in paragraph 12.6 on the basis of the underlying exposure created through the use of OTC derivatives pursuant to the commitment approach.

13.9 In relation to the exposure arising from OTC derivatives as referred to in paragraph 12.6 the ACD must include any exposure to OTC derivative counterparty risk in the calculation.

14. **Spread: government and public securities**

14.1 The following section applies in respect of a transferable security or an approved money-market instrument ("such securities") that is issued by:

14.1.1 an EEA State;

14.1.2 a local authority of an EEA State;

14.1.3 a non-EEA State; or

14.1.4 a public international body to which one or more EEA States belong.

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

14.3 The Company or any Sub-Fund may invest more than 35% in value of the Scheme Property in such securities issued by any one body provided that:

- 14.3.1 the ACD has before any such investment is made consulted with the Depositary and as a result considers that the issuer of such securities is one which is appropriate in accordance with the investment objectives of the relevant Sub-Fund;
 - 14.3.2 no more than 30% in value of the Scheme Property consists of such securities of any one issue;
 - 14.3.3 the Scheme Property includes such securities issued by that or another issuer, of at least six different issues;
 - 14.3.4 the disclosures in COLL 3.2.6R(8) (Table: contents of the instrument constituting the fund) and COLL 4.2.5R(3)(i) (Table: contents of the prospectus) have been made.
- 14.4 In giving effect to the foregoing, over 35% of the scheme property of each of the Sub-Funds may be invested in government and public securities issued by or on behalf of or guarantees by the United Kingdom, the Scottish Administration, the Executive Committee of the Northern Ireland Assembly, the National Assembly of Wales, Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden, Australia, Canada, Japan, New Zealand, Switzerland or the United States of America and securities issued by the European Investment Bank. In relation to such securities:
- 14.4.1 "issue", "issued" and "issuer" include "guarantee", "guaranteed" and "guarantor"; and
 - 14.4.2 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.
- 14.5 Notwithstanding 12.1 and subject to 14.2 and 14.3 above, in applying the 20% limit in paragraph 12.9 with respect to a single body, such securities issued by that body shall be taken into account.

15. **Investment in collective investment schemes**

- 15.1 Up to 100% of the value of the Scheme Property may be invested in units or shares in other collective investment schemes ("Second Scheme") provided that Second Scheme satisfies all of the following conditions within 15.1.1 and 15.1.2:
- 15.1.1 The Second Scheme must:
 - 15.1.1.1 satisfy the conditions necessary for it to enjoy the rights conferred by the UCITS Directive; or
 - 15.1.1.2 be recognised under the provisions of s.270 of the Financial Services and Markets Act 2000; or
 - 15.1.1.3 be authorised as a non-UCITS retail scheme (provided the requirements of Article 50(1)(e) of the UCITS Directive are met); or
 - 15.1.1.4 be authorised in another EEA State provided the requirements of Article 50(1) (e) of the UCITS Directive are met; or
 - 15.1.1.5 be authorised by the competent authority of an OECD member country (other than another EEA State) which has:
 - (a) signed the IOSCO Multilateral Memorandum of Understanding; and
 - (b) approved the Second Scheme's management company, rules and depositary/custody arrangements;

(provided the requirements of article 50(1) (e) of the UCITS Directive are met).

- 15.1.2 The Second Scheme has terms which prohibit it from having more than 10% in value of the Scheme Property consisting of units in collective investment schemes. Where the Second Scheme is an umbrella, the provisions in this paragraph 15.1.2, paragraph 15.1.3 and paragraph 12 (Spread: general) apply to each Sub-Fund as if it were a separate scheme.
- 15.1.3 Investment may only be made in other collective investment schemes managed by the ACD or an Associate of the ACD if the Sub-Fund's Prospectus clearly states that it may enter into such investments and the rules on double charging contained in COLL 5 are complied with.
- 15.1.4 The Scheme Property attributable to a Sub-Fund may include Shares in another Sub-Fund of the Company (a "Second Sub-Fund") subject to the requirements of paragraph 15.1.5 below.
- 15.1.5 Sub-Funds in the Company may invest in a Second Sub-Fund provided that:
 - 15.1.5.1 the Second Sub-Fund does not hold Shares in any other Sub-Fund of the Company;
 - 15.1.5.2 the requirements set out at paragraphs 15.3 and 15.4 below are complied with;
 - 15.1.5.3 the investing or disposing Sub-Fund must not be a feeder UCITS to the Second Sub-Fund.

15.2 The Scheme Property attributable to a Sub-Fund may include Shares in another Sub-Fund of the Company (the "Second Sub-Fund") subject to the requirements of paragraph 15.3 below.

15.3 A Sub-Fund may invest in or dispose of Shares of a Second Sub-Fund provided that:

- 15.3.1 the Second Sub-Fund does not hold Shares in any other Sub-Fund of the Company;
- 15.3.2 the requirements set out at paragraphs 12.8, 15.6 and 15.7 below are complied with.

15.4 The Sub-Funds may, subject to the limit set out in 15.1 above, invest in collective investment schemes managed or operated by, or whose authorised corporate director is, the ACD of the Sub-Funds or one of its Associates.

15.5 As a substantial proportion of the Company's assets are or may be invested in other collective investment schemes, the maximum level of management fees that may be charged by an investee collective investment scheme to the Company will be 3% excluding any performance fees.

15.6 Investment may only be made in a Second Sub-Fund or other collective Investment schemes managed by the ACD or an associate of the ACD if the Sub-Fund's Prospectus clearly states that it may enter into such investments and the rules on double charging contained in COLL 5 are complied with.

15.7 Where a Sub-Fund of the Company invests in or disposes of Shares in a Second Sub-Fund or units or shares in another collective investment scheme which is managed or operated by the ACD or an Associate of the ACD, the ACD must pay to that Sub-Fund by the close of business on the fourth Business Day the amount of any initial charge in respect of a purchase, and in the case of a sale, any charge made for the disposal.

16. **Investment in nil and partly paid securities**

A transferable security or an approved money-market instrument on which any sum is unpaid falls within a power of investment only if it is reasonably foreseeable that the amount of any

existing and potential call for any sum unpaid could be paid by a Sub-Fund, at the time when payment is required, without contravening the rules in COLL 5.

17. **Derivatives: general**

The Investment Manager may employ derivatives for the purposes of Efficient Portfolio Management ("EPM") in accordance with the Risk Management Policy (RMP) – The RMP is available on request from the Authorised Corporate Director.

Where a Sub-Fund employs derivatives for EPM or hedging purposes its global exposure will be calculated using the commitment approach on a daily basis.

The commitment approach measures the exposure generated by a derivative and must be based on an exact conversion of the financial derivative position into the market value of an equivalent position in the underlying asset of that derivative.

The sum of the absolute value of all these equivalent positions, after allowing for netting and hedging, is then the leverage generated by a Sub-fund's derivatives positions. This leverage level must comply with the RMP.

It is not intended that the use of derivatives and forward transactions for EPM purposes will cause the risk profile of a Sub-Fund to increase.

17.1 A transaction in derivatives or a forward transaction must not be effected for a Sub-Fund unless the transaction is of a kind specified in paragraph 19 (Permitted transactions (derivatives and forwards)) below, and the transaction is covered, as required by paragraph 30 (Cover for investment in derivatives and forward transactions) of this Appendix.

17.2 Where a Sub-Fund invests in derivatives, the exposure to the underlying assets must not exceed the limits set out in COLL 5 in relation to COLL 5.2.11R (Spread: general) and COLL 5.2.12R (Spread: government and public securities) except for index based derivatives where the rules below apply.

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

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

17.4.1 by virtue of that component some or all of the cash flows that otherwise would be required by the transferable security or approved money-market instrument which functions as host contract can be modified according to a specified interest rate, financial instrument price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, and therefore vary in a way similar to a stand-alone derivative;

17.4.2 its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract; and

17.4.3 it has a significant impact on the risk profile and pricing of the transferable security or approved money-market instrument.

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

17.6 Where a Sub-Fund invests in an index based derivative, provided the relevant index falls within paragraph 20 (Financial Indices underlying derivatives), the underlying constituents of the index do not have to be taken into account for the purposes of COLL 5.2.11R and COLL 5.2.12R.

18. **Efficient Portfolio Management**

The Investment Manager may use Scheme Property to enter into transactions for the purposes of EPM. Permitted EPM transactions include transactions in derivatives dealt or traded on an eligible derivatives market or over-the-counter. The ACD must ensure in entering into EPM transactions that the transaction is economically appropriate to (i) the reduction of the relevant risks (whether in the price of investments, interest rates or exchange rates) or (ii) the reduction of the relevant costs and/or (iii) the generation of additional capital or income for the scheme with a risk level which is consistent with the risk profile of the scheme and the risk diversification rules laid down in COLL 5.

There is no guarantee that a Sub-Fund will achieve the objective for which any EPM transaction was undertaken. To the extent that derivative instruments are utilised for hedging purposes (reduction of the risk profile of the Company), the risk of loss to the Sub-Fund may be increased where the value of the derivative instrument and the value of the security or position which it is hedging prove to be insufficiently correlated. EPM transactions (save to the extent that derivatives are traded on exchange) may involve a risk that a counterparty will wholly or partially fail to honour its contractual obligations.

In order to mitigate that risk of counterparty default, the counterparties to these transactions may be required to provide collateral to suitably cover their obligations to the Sub-Fund. In the event of default by the counterparty, it will forfeit its collateral on the transaction. However, there is a risk that the collateral, especially where it is in the form of securities, when realised will not raise sufficient cash to settle the counterparty's liability to the Sub-Fund.

To assist in managing these types of risks, the ACD has a collateral management policy which sets criteria around the types of eligible collateral a Sub-Fund may accept. A copy of this is available from the ACD on request.

Investors should note that EPM transactions may be effected in relation to a Sub-Fund in circumstances where the ACD or Investment Manager has, either directly or indirectly, an interest which may potentially involve a conflict of their obligations to the Sub-Fund. Where a conflict cannot be avoided, the ACD and Investment Manager will have regard to their responsibility to act in the best interests of the Sub-Fund and its Shareholders. The ACD and Investment Manager will ensure that the Sub-Fund and its Shareholders are treated fairly and that such transactions are effected on terms which are not less favourable to the Sub-Fund than if the potential conflict had not existed. For further information in relation to conflicts of interest, please see the 'conflicts of interest' section of this prospectus.

All revenues arising from EPM transactions will be returned to the Sub-Fund, net of direct and indirect operational costs and fees.

19. **Permitted transactions (derivatives and forwards)**

19.1 A transaction in a derivative must be in an approved derivative; or be one which complies with paragraph 23 (OTC transactions in derivatives).

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

19.2.1 transferable securities;

19.2.2 approved money-market instruments permitted under paragraphs 7.1.1 to 7.1.4 above;

19.2.3 deposits and permitted derivatives under this paragraph;

19.2.4 collective investment scheme units permitted under paragraph 15 (Investment in collective investment schemes);

- 19.2.5 financial indices which satisfy the criteria set out in paragraph 20 (Financial indices underlying derivatives);
 - 19.2.6 interest rates;
 - 19.2.7 foreign exchange rates; and
 - 19.2.8 currencies.
- 19.3 A transaction in an approved derivative must be effected on or under the rules of an eligible derivatives market.
- 19.4 A transaction in a derivative must not cause a Sub-Fund to diverge from its investment objectives as stated in the Instrument constituting a Sub-Fund and the most recently published version of this Prospectus.
- 19.5 A transaction in a derivative must not be entered into if the intended effect is to create the potential for an uncovered sale of one or more, transferable securities, approved money-market instruments, units in collective investment schemes, or derivatives.
- 19.6 Any forward transaction must be with an Eligible Institution or an Approved Bank.
- 19.7 A derivative includes an investment which fulfils the following criteria:
- 19.7.1 it allows transfer of the credit risk of the underlying independently from the other risks associated with that underlying;
 - 19.7.2 it does not result in the delivery or the transfer of assets other than those referred to in COLL 5.2.6AR, including cash;
 - 19.7.3 in the case of an OTC derivative, it complies with the requirements in paragraph 23; and
 - 19.7.4 its risks are adequately captured by the risk management process of the ACD and by its internal control mechanisms in the case of risk asymmetry of information between the ACD and the counterparty to the derivative resulting from the potential access of the counterparty to non-public information on persons whose assets are used as the underlying by that derivative.
- 19.8 A Sub-Fund may not undertake transactions in derivatives on commodities.

20. **Financial Indices underlying derivatives**

- 20.1 The financial indices referred to in 19.2 are those which satisfy the following criteria:
- 20.1.1 the index is sufficiently diversified;
 - 20.1.2 the index represents an adequate benchmark for the market to which it refers; and
 - 20.1.3 the index is published in an appropriate manner.
- 20.2 A financial index is sufficiently diversified if:
- 20.2.1 it is composed in such a way that price movements or trading activities regarding one component do not unduly influence the performance of the whole index;
 - 20.2.2 where it is composed of assets in which a Sub-Fund is permitted to invest, its composition is at least diversified in accordance with the requirements with respect to spread and concentration set out in this Appendix; and

- 20.2.3 where it is composed of assets in which a Sub-Fund cannot invest, it is diversified in a way which is equivalent to the diversification achieved by the requirements with respect to spread and concentration set out in this Appendix.
- 20.3 A financial index represents an adequate benchmark for the market to which it refers if:
 - 20.3.1 it measures the performance of a representative group of underlyings in a relevant and appropriate way;
 - 20.3.2 it is revised or rebalanced periodically to ensure that it continues to reflect the markets to which it refers, following criteria which are publicly available; and
 - 20.3.3 the underlyings are sufficiently liquid, allowing users to replicate it if necessary.
- 20.4 A financial index is published in an appropriate manner if:
 - 20.4.1 its publication process relies on sound procedures to collect prices, and calculate and subsequently publish the index value, including pricing procedures for components where a market price is not available; and
 - 20.4.2 material information on matters such as index calculation, rebalancing methodologies, index changes or any operational difficulties in providing timely or accurate information is provided on a wide and timely basis.
- 20.5 Where the composition of underlyings of a transaction in a derivative does not satisfy the requirements for a financial index, the underlyings for that transaction shall where they satisfy the requirements with respect to other underlyings pursuant to 19.2, be regarded as a combination of those underlyings.

21. **Transactions for the purchase of property**

- 21.1 A derivative or forward transaction which will or could lead to the delivery of property for the account of a Sub-Fund may be entered into only if that property can be held for the account of that Sub-Fund, and the ACD having taken reasonable care determines that delivery of the property under the transaction will not occur or will not lead to a breach of COLL 5.

22. **Requirement to cover sales**

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

23. **OTC transactions in derivatives**

- 23.1 Any transaction in an OTC derivative under paragraph 19.1 must be:
 - 23.1.1 in a future or an option or a contract for differences;
 - 23.1.2 with an approved counterparty; a counterparty to a transaction in derivatives is approved only if the counterparty is an Eligible Institution or an Approved Bank; or a person whose permission (including any requirements or limitations), as published in the Financial Services Register or whose Home State authorisation, permits it to enter into the transaction as principal off-exchange;
 - 23.1.3 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 market quotations by the counterparty and can enter into one or more further transaction to sell, liquidate or close out that transaction at any time, at a fair value; and

23.1.4 capable of reliable valuation; a transaction in derivatives is capable of reliable valuation only if the ACD having taken reasonable care determines that, throughout the life of the derivative (if the transaction is entered into), it will be able to value the investment concerned with reasonable accuracy:

23.1.4.1 on the basis of an up-to-date market value which the ACD and the Depositary have agreed is reliable; or

23.1.4.2 if the value referred to in 23.1.4.1 is not available, on the basis of a pricing model which the ACD and the Depositary have agreed uses an adequate recognised methodology; and

23.1.5 subject to verifiable valuation: a transaction in derivatives is subject to verifiable valuation only if, throughout the life of the derivative (if the transaction is entered into) verification of the valuation is carried out by:

23.1.5.1 an appropriate third party which is independent from the counterparty of the derivative at an adequate frequency and in such a way that the ACD is able to check it; or

23.1.5.2 a department within the ACD which is independent from the department in charge of managing a Sub-Fund and which is adequately equipped for such a purpose.

23.2 For the purposes of paragraph 23.1.3, "fair value" is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

24. **Valuation of OTC derivatives**

24.1 For the purposes of paragraph 23.1.3 the ACD must:

24.1.1 Establish, implement and maintain arrangements and procedures which ensure appropriate, transparent and fair valuation of the exposures of a Sub-Fund to OTC derivatives; and

24.1.2 ensure that the fair value of OTC derivatives is subject to adequate, accurate and independent assessment.

24.2 Where the arrangements and procedures referred to in paragraph 24.1 above involve the performance of certain activities by third parties, the ACD must comply with the requirements in SYSC 8.1.13 R (Additional requirements for a management company) and COLL 6.6A.4 R (4) to (6) (Due diligence requirements of AFMs of UCITS schemes).

24.3 The arrangements and procedures referred to in 24.1 must be:

24.3.1 adequate and proportionate to the nature and complexity of the OTC derivative concerned; and

24.3.2 adequately documented.

25. **Risk Management**

25.1 The ACD uses a risk management process (including a risk management policy) in accordance with COLL 6.12, as reviewed by the Depositary and filed with the FCA, enabling it to monitor and measure at any time the risk of a Sub-Fund's positions and their contribution to the overall risk profile of the Sub-Fund. The following details of the risk

management process must be regularly notified to the FCA and at least on an annual basis:

25.1.1 a true and fair view of the types of derivatives and forward transactions to be used within the Sub-Fund together with their underlying risks and any relevant quantitative limits; and

25.1.2 the methods for estimating risks in derivative and forward transactions.

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

26. **Investment in Deposits**

A Sub-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.

27. **Significant influence**

27.1 The Company must not acquire transferable securities issued by a body corporate and carrying rights to vote (whether or not on substantially all matters) at a general meeting of that body corporate if:

27.1.1 immediately before the acquisition, the aggregate of any such securities held by the Company gives the Company power significantly to influence the conduct of business of that body corporate; or

27.1.2 the acquisition gives the Company that power.

27.2 For the purposes of paragraph 27.1, the Company is to be taken to have power significantly to influence the conduct of business of a body corporate if it can, because of the transferable securities held by it, exercise or control the exercise of 20% or more of the voting rights in that body corporate (disregarding for this purpose any temporary suspension of voting rights in respect of the transferable securities of that body corporate).

28. **Concentration**

A Sub-Fund:

28.1 must not acquire transferable securities other than debt securities which:

28.1.1 do not carry a right to vote on any matter at a general meeting of the body corporate that issued them; and

28.1.2 represent more than 10% of these securities issued by that body corporate;

28.2 must not acquire more than 10% of the debt securities issued by any single issuing body;

28.3 must not acquire more than 25% of the units in a collective investment scheme;

28.4 must not acquire more than 10% of the approved money-market instruments issued by any single body; and

28.5 need not comply with the limits in paragraphs 28.2, 28.3 and 28.4 of this Appendix if, at the time of the acquisition, the net amount in issue of the relevant investment cannot be calculated.

29. **Derivative exposure**

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

29.2 Cover ensures that a Sub-Fund is not exposed to the risk of loss of property, including money, to an extent greater than the net value of the Scheme Property. Therefore, a Sub-Fund must hold Scheme Property sufficient in value or amount to match the exposure arising from a derivative obligation to which that Sub-Fund is committed. Paragraph 30 (Cover for investment in derivatives and forward transactions) below sets out detailed requirements for cover of that Sub-Fund.

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

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

30. **Cover for investment in derivatives and forward transactions**

30.1 A Sub-Fund may invest in derivatives and forward transactions as part of its investment policy provided:

30.1.1 its global exposure relating to derivatives and forward transactions held in the Sub-Fund does not exceed the net value of the Scheme Property; and

30.1.2 its global exposure to the underlying assets does not exceed in aggregate the investment limits laid down in paragraph 12 above.

31. **Cover and Borrowing**

31.1 Cash obtained from borrowing, and borrowing which the ACD reasonably regards an Eligible Institution or an Approved Bank to be committed to provide, is not available for cover under paragraph 30 (Cover for investment in derivatives and forward transactions) except where 31.2 below applies.

31.2 Where, for the purposes of this paragraph a Sub-Fund borrows an amount of currency from an Eligible Institution or an Approved Bank; and keeps an amount in another currency, at least equal to such borrowing for the time being in 31.1 on deposit with the lender (or their agent or nominee), then this paragraph 31.2 applies as if the borrowed currency, and not the deposited currency, were part of the Scheme Property.

32. **Calculation of global exposure**

32.1 The ACD must calculate the global exposure of a Sub-Fund on at least a daily basis.

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

32.2.1 the incremental exposure and leverage generated through the use of derivatives and forward transactions (including embedded derivatives as referred to in paragraph 17 (Derivatives: general), which may not exceed 100% of the net value of the Scheme Property; or

32.2.2 the market risk of the Scheme Property.

32.3 For the purposes of this section exposure must be calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.

32.4 The ACD must calculate the global exposure of a Sub-Fund by using:

32.4.1 commitment approach; or

32.4.2 the value at risk approach.

32.5 The ACD must ensure that the method selected above is appropriate, taking into account:

32.5.1 the investment strategy pursued by the Sub-Fund;

32.5.2 types and complexities of the derivatives and forward transactions used; and

32.5.3 the proportion of the Scheme Property comprising derivatives and forward transactions.

33. **Cash and near cash**

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

33.1.1 the pursuit of a Sub-Fund's investment objectives; or

33.1.2 redemption of Shares; or

33.1.3 efficient management of a Sub-Fund in accordance with its investment objectives; or

33.1.4 other purposes which may reasonably be regarded as ancillary to the investment objectives of a Sub-Fund.

33.2 During the period of the initial offer the Scheme Property of the Sub-Funds may consist of cash and near cash without limitation.

34. **General**

34.1 It is envisaged that a Sub-Fund will normally be fully invested but there may be times that it is appropriate not to be fully invested when the ACD reasonably regards this as necessary in pursuit of the investment objective and policy, redemption of Shares, efficient management of a Sub-Fund or any one purpose which may reasonably be regarded as ancillary to the investment objectives of a Sub-Fund.

34.2 Where a Sub-Fund invests in or disposes of units or shares in another collective investment scheme which is managed or operated by the ACD or an Associate of the ACD, the ACD must pay to a Sub-Fund by the close of business on the fourth Business Day the amount of any initial charge in respect of a purchase, and in the case of a sale, any charge made for the disposal.

34.3 A potential breach of any of these limits does not prevent the exercise of rights conferred by investments held by a Sub-Fund but, in the event of a consequent breach, the ACD must then take such steps as are necessary to restore compliance with the investment limits as soon as practicable having regard to the interests of Shareholders.

34.4 COLL 5 permits the ACD to use certain techniques when investing in derivatives in order to manage a Sub-Fund's exposure to particular counterparties and in relation to the use of collateral to reduce overall exposure with respect to over-the-counter ("OTC") derivatives; for example a Sub-Fund may take collateral from counterparties with whom they have an OTC derivative position and use that collateral to net off against the exposure they have to the counterparty under that OTC derivative position, for the purposes of complying with counterparty spread limits. COLL 5 also permits a Sub-Fund to use derivatives to effectively short sell (agree to deliver the relevant asset without holding it in a Sub-Fund) under certain conditions.

35. **Underwriting**

35.1 Underwriting and sub underwriting contracts and placings may also, subject to certain conditions set out in COLL 5, be entered into for the account of a Sub-Fund.

36. General power to borrow

- 36.1 A Sub-Fund may, subject to COLL 5, borrow money from an Eligible Institution or an Approved Bank for the use of the Sub-Fund on terms that the borrowing is to be repayable out of the Scheme Property.
- 36.2 Borrowing must be on a temporary basis, must not be persistent, and in any event must not exceed three months without the prior consent of the Depositary, which may be given only on such conditions as appear appropriate to the Depositary to ensure that the borrowing does not cease to be on a temporary basis.
- 36.3 The ACD must ensure that borrowing does not, on any Business Day, exceed 10% of the value of a Sub-Fund.
- 36.4 These borrowing restrictions do not apply to "back to back" borrowing for currency hedging purposes (i.e. borrowing permitted in order to reduce or eliminate risk arising by reason of fluctuations in exchange rates).

37. Restrictions on lending of money

- 37.1 None of the money in the Scheme Property of a Sub-Fund may be lent and, for the purposes of this paragraph, money is lent by a Sub-Fund if it is paid to a person ("the payee") on the basis that it should be repaid, whether or not by the payee.
- 37.2 Acquiring a debenture is not lending for the purposes of paragraph 37.1, nor is the placing of money on deposit or in a current account.
- 37.3 Nothing in paragraph 37.1 prevents the Company from providing an officer of the Company with funds to meet expenditure to be incurred by them for the purposes of the Company (or for the purposes of enabling them properly to perform their duties as an officer of the Company) or from doing anything to enable an officer to avoid incurring such expenditure.

38. Restrictions on lending of property other than money

- 38.1 Scheme Property of the Sub-Funds other than money must not be lent by way of deposit or otherwise.
- 38.2 The Scheme Property of the Sub-Funds must not be mortgaged.
- 38.3 Where transactions in derivatives or forward transactions are used for the account of a Sub-Fund in accordance with COLL 5, nothing in this paragraph prevents the Sub-Fund or the Depositary at the request of the Sub-Fund: from lending, depositing, pledging or charging its Scheme Property for margin requirements; or transferring Scheme Property under the terms of an agreement in relation to margin requirements, provided that the ACD 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 Shareholders.

39. General power to accept or underwrite placings

- 39.1 Any power in COLL 5 to invest in transferable securities may be used for the purpose of entering into transactions to which this section applies, subject to compliance with any restriction in the Instrument of Incorporation. This section applies, to any agreement or understanding: which is an underwriting or sub-underwriting agreement, or which contemplates that securities will or may be issued or subscribed for or acquired for the account of a Sub-Fund.
- 39.2 This ability does not apply to an option, or a purchase of a transferable security which confers a right to subscribe for or acquire a transferable security, or to convert one transferable security into another.

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

40. Guarantees and indemnities

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

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

40.3 Paragraphs 40.1 and 40.2 do not apply to in respect of the Company:

40.3.1 any indemnity or guarantee given for margin requirements where the derivatives or forward transactions are being used in accordance with COLL 5; and

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

40.3.3 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

40.3.4 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 Company and the holders of shares in that scheme become the first Shareholders in the Company.

APPENDIX IV

LIST OF OTHER AUTHORISED COLLECTIVE INVESTMENT SCHEMES OPERATED BY THE ACD

The ACD acts as Authorised Corporate Director of the following Open-ended Investment Companies:

CG Shenkman Credit Funds ICVC

CG Nordea OEIC

APPENDIX V

PAST PERFORMANCE AND INVESTOR PROFILE

As each of the Sub-Funds will launch on 30 November 2020, no past performance figures are available as yet.

NOTE: PAST PERFORMANCE SHOULD NOT BE TAKEN AS A GUIDE TO THE FUTURE. PLEASE SEE APPENDIX I FOR THE SUB FUNDS' OBJECTIVES AND BELOW FOR AN EXPLANATION OF INVESTOR PROFILE.

Investor profiles

CG Morningstar Multi Asset 40 Fund

The Sub-Fund is suitable for both retail and institutional investors. The Sub-Fund may not be appropriate for investors who plan to withdraw their money within five years. The CG Morningstar Multi Asset 40 Fund may be suitable for those investors who are seeking capital growth and accept risk to capital through investment in a Sub-Fund that may invest in a wide range of asset classes, regions, currencies and investment types and have equity exposure levels of up to 50%. In contrast, the Sub-Fund is likely to be unsuitable for those investors not aligned with the above criteria.

CG Morningstar Multi Asset 60 Fund

The Sub-Fund is suitable for both retail and institutional investors. The Sub-Fund may not be appropriate for investors who plan to withdraw their money within five years. The CG Morningstar Multi Asset 60 Fund may be suitable for those investors who are seeking capital growth and accept risk to capital, through investment in a Sub-Fund that may invest in a wide range of asset classes, regions, currencies and investment types and have equity exposure levels of up to 70%. In contrast, the Sub-Fund is likely to be unsuitable for those investors not aligned with the above criteria.

CG Morningstar Multi Asset 80 Fund

The Sub-Fund is suitable for both retail and institutional investors. The Sub-Fund may not be appropriate for investors who plan to withdraw their money within seven years. The CG Morningstar Multi Asset 80 Fund may be suitable for those investors who are seeking capital growth and accept risk to capital, through investment in a Sub-Fund that may invest in a wide range of asset classes, regions, currencies and investment types and have equity exposure levels of up to 90%. In contrast, the Sub-Fund is likely to be unsuitable for those investors not aligned with the above criteria.

APPENDIX VI

LIST OF SUB-CUSTODIANS

The Global Sub-Custodian may delegate the custody of assets to the following Sub-Country/Market	Sub - Custodian	Location
Argentina	Citibank N.A., Argentina	Buenos Aires
Australia	The Hongkong and Shanghai Banking Corporation Limited	Parramatta, NSW
Austria	UniCredit Bank Austria AG	Vienna
Bahrain	HSBC Bank Middle East Limited	Bahrain
Bangladesh	The Hongkong and Shanghai Banking Corporation Limited	Dhaka
Belgium	The Bank of New York Mellon SA/NV	Brussels
Belgium	Citibank Europe Plc, UK branch	London
Bermuda	HSBC Bank Bermuda Limited	Hamilton
Botswana	Stanbic Bank Botswana Limited	Gaborone
Brazil	Citibank N.A., Brazil	Sao Paulo
Brazil	Itau Unibanco S.A.	Sao Paulo
Bulgaria	Citibank Europe plc, Bulgaria Branch	Sofia
Canada	CIBC Mellon Trust Company (CIBC Mellon)	Toronto
Cayman Islands	The Bank of New York Mellon	New York
Channel Islands	The Bank of New York Mellon	New York
Chile	Banco de Chile	Santiago
Chile	Itau Corpbanca S.A.	Santiago
China	HSBC Bank (China) Company Limited	Shanghai

Colombia	Cititrust Colombia S.A. Sociedad Fiduciaria	Bogota
Costa Rica	Banco Nacional de Costa Rica	San José
Croatia	Privredna banka Zagreb d.d.	Zagreb
Cyprus	BNP Paribas Securities Services	Athens
Czech Republic	Citibank Europe plc, organizacni slozka	Prague
Denmark	Skandinaviska Enskilda Banken AB (Publ)	Stockholm
Egypt	HSBC Bank Egypt S.A.E.	Cairo
Estonia	SEB Pank AS	Tallinn
Eswatini	Standard Bank Eswatini Limited	Mbabane
Euromarket	Clearstream Banking S.A	Luxembourg
Euromarket	Euroclear Bank	Brussels
Finland	Skandinaviska Enskilda Banken AB (Publ)	Stockholm, Sweden
France	The Bank of New York Mellon SA/NV	Brussels
Germany	The Bank of New York Mellon SA/NV	Frankfurt am Main
Ghana	Stanbic Bank Ghana Limited	Accra
Greece	BNP Paribas Securities Services	Athens
Hong Kong	The Hongkong and Shanghai Banking Corporation Limited	Kowloon, Hong Kong
Hungary	Citibank Europe plc. Hungarian Branch Office	Budapest
Iceland	Landsbankinn hf.	Reykjavik
India	Deutsche Bank AG	Mumbai
India	The Hongkong and Shanghai Banking Corporation Limited	Mumbai

Indonesia	Deutsche Bank AG	Jakarta
Ireland	The Bank of New York Mellon	New York
Israel	Bank Hapoalim B.M.	Tel Aviv
Italy	The Bank of New York Mellon SA/NV	Brussels
Japan	Mizuho Bank, Ltd.	Tokyo
Japan	MUFG Bank, Ltd.	Tokyo
Jordan	Standard Chartered Bank, Jordan Branch	Jordan
Kazakhstan	Citibank Kazakhstan Joint-Stock Company	Almaty
Kenya	Stanbic Bank Kenya Limited	Nairobi
Kuwait	HSBC Bank Middle East Limited, Kuwait	Safat
Latvia	AS SEB banka	Kekavas novads
Lithuania	AB SEB bankas	Vilnius
Luxembourg	Euroclear Bank	Brussels
Malawi	Standard Bank PLC	Lilongwe
Malaysia	Deutsche Bank (Malaysia) Berhad	Kuala Lumpur
Malta	The Bank of New York Mellon SA/NV, Asset Servicing, Niederlassung Frankfurt am Main	Frankfurt am Main, Germany
Mauritius	The Hongkong and Shanghai Banking Corporation Limited	Ebene
Mexico	Banco S3 México S.A.	Ciudad de México
Mexico	Citibanamex	Colonia Santa Fe
Morocco	Citibank Maghreb S.A.	Casablanca
Namibia	Standard Bank Namibia Limited	Kleine Kuppe

Netherlands	The Bank of New York Mellon SA/NV	Brussels, Belgium
New Zealand	The Hongkong and Shanghai Banking Corporation Limited	Auckland
Nigeria	Stanic IBTC Bank Plc.	Lagos
Norway	Skandinaviska Enskilda Banken AB (Publ)	Stockholm, Sweden
Oman	HSBC Bank Oman S.A.O.G.	Sultanate of Oman
Pakistan	Deutsche Bank AG	Karachi
Peru	Citibank del Peru S.A.	Lima
Philippines	Deutsche Bank AG	Taguig City 1634
Poland	Bank Polska Kasa Opieki S.A.	Warszawa
Portugal	Citibank Europe Plc	Dublin
Qatar	HSBC Bank Middle East Limited, Doha	Doha
Romania	Citibank Europe plc Dublin, Romania Branch	Bucharest
Russia	PJSC ROSBANK	Moscow
Saudi Arabia	HSBC Saudi Arabia	Riyadh
Serbia	UniCredit Bank Serbia JSC	Belgrade
Singapore	DBS Bank Ltd	Singapore
Slovak Republic	Citibank Europe plc, pobočka zahraničnej banky	Bratislava
Slovenia	UniCredit Banka Slovenia d.d.	Ljubljana
South Africa	Standard Chartered Bank	Johannesburg
South Africa	The Standard Bank of South Africa Limited	Johannesburg
South Korea	The Hongkong and Shanghai Banking Corporation Limited	Seoul

South Korea	Deutsche Bank AG	Seoul
Spain	Banco Bilbao Vizcaya Argentaria, S.A.	Bilbao
Spain	Caceis Bank Spain, S.A.U.	Madrid
Sri Lanka	The Hongkong and Shanghai Banking Corporation Limited	Colombo
Sweden	Skandinaviska Enskilda Banken AB (Publ)	Stockholm
Switzerland	Credit Suisse (Switzerland) Ltd	Zurich
Switzerland	UBS Switzerland AG	Zurich
Taiwan	HSBC Bank (Taiwan) Limited	Taipei City
Tanzania	Stanbic Bank Tanzania Limited	Dar es Salaam
Thailand	The Hongkong and Shanghai Banking Corporation Limited	Bangkok
Tunisia	Union Internationale de Banques	Tunis
Turkey	Deutsche Bank A.S.	Istanbul
U.A.E.	HSBC Bank Middle East Limited, Dubai	Dubai
U.K.	Depository and Clearing Centre (DCC) Deutsche Bank AG, London Branch	London
U.K.	The Bank of New York Mellon	New York
U.S.A.	The Bank of New York Mellon	New York
U.S.A. Precious Metals	HSBC Bank, USA, N.A	New York
Uganda	Stanbic Bank Uganda Limited	Kampala
Ukraine	JSC "Citibank"	Kiev
Uruguay	Banco Itaú Uruguay S.A.	Montevideo
Vietnam	HSBC Bank (Vietnam) Ltd	Ho Chi Minh City

WAEMU	Société Générale Côte d'Ivoire	Abidjan 01, Ivory Coast
Zambia	Stanbic Bank Zambia Limited	Lusaka
Zimbabwe	Stanbic Bank Zimbabwe Limited	Harare

APPENDIX VII

DIRECTORY

The Company Head Office:

CG Morningstar Multi Asset Funds ICVC
2nd Floor
107 Cheapside
London
EC2V 6DN

Authorised Corporate Director:

Carne Global Fund Managers (UK) Limited
2nd Floor
107 Cheapside
London
EC2V 6DN

Depositary:

The Bank of New York Mellon (International) Limited
One Canada Square
London
E14 5AL

Investment Manager:

Morningstar Investment Management Europe Limited
1 Oliver's Yard
55-71 City Road
London
EC1Y 1HQ

Administrator and Registrar:

The Bank of New York Mellon (International) Limited
One Canada Square
London
E14 5AL

Auditors:

Deloitte LLP
110 Queen Street
Glasgow
G1 3BX