

Sarasin Fund of Funds OEIC

Prospectus

(An investment company with variable capital registered in England and Wales
under registered number IC000932)

**This Prospectus is dated, and is valid as at 6th April 2021,
and replaces any previous Prospectus issued by Sarasin Funds of Funds OEIC**

THIS PROSPECTUS IS IMPORTANT

IF YOU ARE IN ANY DOUBT AS TO THE MEANING OF ANY INFORMATION CONTAINED IN THIS PROSPECTUS, YOU SHOULD CONSULT AN APPROPRIATELY QUALIFIED FINANCIAL ADVISER.

- (a) This Prospectus is intended for distribution in the United Kingdom. Its distribution may be restricted in other countries. It does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is unlawful or in which the person making such offer or solicitation is not qualified so to do, or to anyone to whom it is unlawful to make such an offer or solicitation. Applicants should inform themselves about and observe the legal requirements within their own countries for the acquisition of Shares of the Company and any taxation or exchange control legislation affecting them personally, including the obtaining of any necessary governmental or other consents and the observation of any other formalities.
- (b) The Company has not registered, and will not register, its offerings of Shares under the U.S. Securities Act of 1933, as amended (the “1933 Act”). The Shares of the Sub-Funds may not be offered or sold, directly or indirectly, in the United States or to, or for the benefit of, any U.S. person, as defined in Regulation S under the 1933 Act. This Prospectus is not to be distributed in the United States or to any U.S. person, as so defined. This Prospectus is not an offer to sell, or a solicitation of offers to buy, any security either in the United States or directed to any U.S. person, as so defined. The Company has not registered, and will not register, under the United States Investment Company Act of 1940, as amended. The ACD has not been registered under the United States Investment Advisers Act of 1940.
- (c) This Prospectus describes the constitution and operation of the Company at the date of this Prospectus and is based on information, law and practice at the date hereof. In the event of any materially significant change in the matters stated herein or any materially significant new matter arising which ought to be stated in this Prospectus, this Prospectus will be revised. Applicants should check with the ACD that this is the latest version and that there have been no revisions or updates.
- (d) The Depositary is not a person responsible for the information contained in this Prospectus and accordingly does not accept any responsibility therefore under the FCA Rules or otherwise.
- (e) This Prospectus should be read in its entirety before making any application for Shares. If potential Applicants are in any doubt about the contents of this Prospectus and the relevant supplement they should consult a stockbroker, bank manager, solicitor, accountant or other financial adviser. Shares are offered on the basis of the information contained in, and the documents referred to, in this Prospectus.
- (f) No application has been made for the Shares to be listed on any stock exchange. However, the Investment Manager may consider seeking one or more listings of the Shares in the future.
- (g) This Prospectus may be translated into other languages. Any such translation shall only contain the same information and have the same meanings as this English language document. To the extent that there is any inconsistency between this English language document and the document in another language, this English language document shall prevail except to the extent (but only to the extent) required by the laws of any jurisdiction where the Shares are sold so that in an action based upon disclosure in a document of a language other than English, the language of the document on which such action is based shall prevail.

- (h) The UK government has enacted legislation enabling it to comply with its obligations in relation to international tax compliance including European Union directives and the United States provisions commonly known as "FATCA" together with other intergovernmental agreements. As a result the Company may need to disclose the name, address, taxpayer identification number and investment information relating to certain investors in the Funds to HM Revenue & Customs, who will in turn exchange this information with their overseas counterparts in relevant jurisdictions. By signing the application form to subscribe for Shares, each prospective Shareholder is agreeing to provide information upon request to the Company or its agent. If a Shareholder does not provide the necessary information, the Company will be required to report it to HM Revenue & Customs.
- (i) Potential Applicants and purchasers of Shares should inform themselves as to (a) the possible tax consequences, (b) the legal requirements, (c) any foreign exchange restrictions or exchange control requirements and (d) any other requisite governmental or other consents or formalities which they might encounter under the laws of the countries of their incorporation, citizenship, residence or domicile and which might be relevant to the subscription, purchase, holding or disposal of Shares.
- (j) Applicants should read this Prospectus, the Key Investor Information Document ("KIID") and after publication of the annual report and audited accounts of the Company for the period up to 31 December 2014, a copy of such report and accounts or the then latest published semi-annual report and unaudited accounts (or the then published annual report and audited accounts, if more recent) before investing in the Company.
- (k) No person has been authorised to make representation on behalf of the Company except as set forth in this Prospectus. This Prospectus and the relevant supplement supersedes any materials concerning the Company or any of its Sub-Funds previously provided to Applicants.
- (l) The contents of this Prospectus are not intended to contain and should not be regarded as containing advice relating to legal, taxation, investment or any other matters. Each Applicant must rely upon such Applicant's own representatives, as to legal, economic, tax and related aspects of the investment described herein and as to its suitability for such Applicant.
- (m) All Shareholders are entitled to the benefit of, are bound by and are deemed to have notice of the provisions of the Instrument, copies of which are available as mentioned herein. All Applicants should carefully read the Instrument before deciding to invest in the Company or any Sub-Fund.
- (n) This Prospectus shall be governed by and construed in accordance with English law.

The price of Shares in the Sub-Funds and the income derived from them can go down as well as up and as a result an investor may not get back the amount originally invested.

CONTENTS

Clause	Heading	Page
1	INTERPRETATION	1
2	CONSTITUTION	3
3	INVESTMENT OBJECTIVES AND POLICIES OF THE SUB-FUNDS.....	4
4	RISK FACTORS AND MANAGEMENT	5
6	THE INVESTMENT MANAGER	9
7	THE DEPOSITARY	9
8	ADMINISTRATOR AND REGISTRAR.....	10
9	NO LIABILITY TO ACCOUNT.....	10
11	SHARES IN THE COMPANY	10
12	REGISTER.....	12
13	VALUATIONS	12
14	PRICES OF SHARES	14
15	DILUTION ADJUSTMENT.....	15
16	STAMP DUTY RESERVE TAX	16
17	PURCHASE, REDEMPTION AND EXCHANGE OF SHARES	16
18	SWITCHING BETWEEN CLASSES AND FUNDS.....	22
19	SUSPENSION OF DEALINGS.....	23
20	MANDATORY REDEMPTION OF SHARES	24
21	DISTRIBUTION	24
22	INCOME EQUALISATION.....	25
23	THE AUTHORISED CORPORATE DIRECTOR'S CHARGES	26

24	ONGOING OPERATIONAL AND ADMINISTRATIVE EXPENSES OF THE COMPANY	27
25	OTHER PAYMENTS OUT OF THE COMPANY	29
26	TAXATION	31
27	REPORTS AND ACCOUNTS	34
28	ANNUAL GENERAL MEETINGS	34
29	VOTING	34
30	INVESTMENT AND BORROWING POWERS	36
31	DISCLOSURE OF DEALING ARRANGEMENTS.....	36
32	TRANSFER OF SHARES	36
33	WINDING UP OF THE COMPANY AND TERMINATION OF SUB-FUND.....	36
35	OTHER INFORMATION.....	38
36	GENERAL	40
	Appendix 1 - Eligible Securities Markets	44
	Appendix 2 - Eligible Derivatives Markets.....	46
	Appendix 3 - Historical Performance.....	48
	Appendix 4 - Investment and borrowing powers	50

1 INTERPRETATION

In this Prospectus the words and expressions set out in the first column below shall have the meanings set opposite them unless the context requires otherwise. Words and expressions contained in this Prospectus but not defined herein shall have the same meanings as in the Act or Regulations (as defined below) unless the contrary is stated. The definitions are as follows:

"ACD"	means the authorised corporate director holding office from time to time pursuant to the Regulations being Sarasin Investment Funds Limited at the date of this Prospectus;
"Act"	means the Financial Services and Markets Act 2000 as amended;
"Administrator"	means Northern Trust Global Services SE, or such other person appointed from time to time to be the administrator of the Company;
"Applicant"	means a prospective investor in the Company and its Sub-Funds;
"Approved Bank"	as defined, from time to time, in the FCA Handbook;
"Auditor"	means Deloitte LLP, 1 New Street Square, London EC4A 3HQ., or such other person appointed from time to time to be the auditor of the Company;
"Business"	means the business of engaging in one or more of the activities described in the Act (or any relevant rules and regulations prevailing in the Intermediary's country of domicile and operations) in relation to the Shares;
"Business Day"	means those days, Monday to Friday, excluding UK public and bank holidays, on which UK clearing banks are open for business in London;
"Class"	means a class of Shares;
"COBS"	means the Conduct of Business Sourcebook issued by the FCA pursuant to the Act, as amended from time to time;
"COLL Sourcebook"	means the Collective Investment Schemes Sourcebook issued by the FCA pursuant to the Act, as amended from time to time. "COLL" accordingly refers to the appropriate chapter or rule in the COLL Sourcebook;
"Company"	means Sarasin Fund of Funds OEIC;
"Custodian"	means Northern Trust Company
"Conversion"	means the conversion of Shares in one Class to Shares of another Class of the same Fund and "Convert" shall be construed accordingly;
"Depositary"	means the person appointed from time to time by the Company or otherwise pursuant to the Regulations to which all of the Scheme Property of the Company is entrusted for safe keeping pursuant to the Regulations;
"Dealing Cut Off Point"	means 12 noon on each Dealing Day;

"Dealing Day"	means 9 a.m. to 5.30 p.m. on any Business Day;
"Directors"	means the directors of the Company for the time being (including the ACD) or, as the case may be, the directors of the Company for the time being assembled as a board including any committee of such board as the context requires;
"efficient portfolio management" or "EPM"	means efficient portfolio management as described in Paragraph 10 of Appendix 4;
"Eligible Institution"	means one of certain eligible institutions as defined in the glossary of definitions to the FCA Handbook;
"FCA"	means the Financial Conduct Authority, 12 Endeavour Square, London, E20 1JN and any successor entity;
"FCA Rules"	means the handbook of rules and guidance published by the FCA as amended or replaced from time to time;
"Instrument"	means the instrument of incorporation constituting and governing the Company (as amended from time to time);
"Intermediary"	means an independent person, partnership or company who is authorised and regulated by either a United Kingdom/European Union or Financial Action Task Force Financial Services Regulator to carry on Business in relation to transactions in Share(s) including any appointed representatives of such an Intermediary;
"Investment Manager"	means Sarasin & Partners LLP;
"IRS"	means the US Internal Revenue Service;
"Net Asset Value" or "NAV"	means the value of the Scheme Property of the Company less the liabilities of the Company as calculated in accordance with the Regulations;
"Non-UCITS Retail Scheme"	means a non-UCITS retail scheme as defined in the FCA Rules;
"OEIC Regulations"	means the Open-Ended Investment Companies Regulations 2001 as amended;
"Registrar"	means Northern Trust Global Services SE or such other person appointed from time to time to be the registrar of the Company;
"Regulations"	means the OEIC Regulations, UCITS Directive, COLL Sourcebook, other FCA Rules and/or the Act (as the context requires);
"Scheme Property"	means the assets (and cash) which comprise the property of the Company and/or attributable to each of the Funds Sub-Funds;
"Service Providers"	means the ACD, Depositary, Investment Adviser, Administrator and Registrar;
"Share" or "Shares"	means a share or shares in the Company;

- "Shareholder"** means a holder of registered Shares in the Company;
- "Sub-Funds"** means:
- (a) Sarasin Fund of Funds – Global Diversified Growth; and
 - (b) Sarasin Fund of Funds – Global Equity.
- being the sub-funds of the Company and "Sub-Fund" means any one of the sub-funds of the Company as the context requires;
- "UCITS Directive"** means the European Parliament and 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); and
- "UCITS scheme"** means a collective investment scheme such as the Company which complies with the UCITS Directive and therefore enjoys certain passporting rights under that directive.

2 CONSTITUTION

The Company is an investment company with variable capital incorporated under the OEIC Regulations. It is a UCITS scheme as defined in COLL and also an umbrella company for the purposes of the OEIC Regulations. The Company is incorporated in England and Wales with registered number IC000932 and was authorised by the FCA on 14 May 2012. The registered office of the Company is at Juxon House, 100 St. Paul's Churchyard, London EC4M 8BU. This is also the address for the service on the Company of notices or other documents required or authorised to be served on it.

In accordance with the Regulations and the Instrument the Company may issue Shares in:

- (a) Sarasin Fund of Funds – Global Diversified Growth; and
- (b) Sarasin Fund of Funds – Global Equity.

Subject to the terms set out in this Prospectus, holders of Shares in a Sub-Fund are entitled to receive (or have accumulated) the net income derived from the Sub-Fund and to redeem their Shares at a price linked to the value of the property of the Sub-Fund. Shareholders do not have any proprietary interest in the underlying assets of the Sub-Fund. The Shareholders of the Company will not be liable for the debts of the Company.

The base currency for the Company is pounds sterling. The maximum size of the Company's capital is £100,000,000,000 and the minimum size is £1. The operation of the Company is governed by the Regulations, the Instrument and this Prospectus. The duration of the Company is unlimited. Shares in the Sub-Funds are not listed or dealt in on any investment exchange.

Segregated liability of the Sub-Funds

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 to discharge directly or indirectly the liabilities of, or claims against, any other person or body, including the Company or any other Sub-Fund, and shall not be available for any such purpose.

While the provisions of the OEIC Regulations provide for segregated liability between the Sub-Funds, the concept of segregated liability is relatively new. Accordingly, where claims are

brought by local creditors in foreign courts or under foreign law contracts, it is not yet known how those foreign courts will react to regulations 11A and 11B of the OEIC Regulations.

3 INVESTMENT OBJECTIVES AND POLICIES OF THE SUB-FUNDS

Sarasin Fund of Funds – Global Diversified Growth

Investment objective

We seek to grow the Fund (through increases in investment value and income) over a rolling 5 year period after deducting fees and costs.

Investment policy

Investments

We invest approximately 60% of the Fund's assets in other funds whose underlying assets will mainly be shares in companies from around the world.

Where there is a strong sentiment, positive or negative, on a particular asset class or classes, the Investment Manager may actively deviate away from this asset mix to try to meet the investment objective.

We invest the remainder of the Fund's assets in other funds whose underlying assets will mainly be bonds (which are loans that pay a fixed or variable rate of interest issued by companies and governments) and cash deposits and cash-like investments issued by governments, international bodies, banks and companies.

The Fund can also invest in similar underlying assets directly.

Additional Techniques

We may only use derivatives to maintain the Fund's value, manage investment risk and to gain cost-effective access to investments. Derivatives are financial contracts whose value is linked to the price of another asset (e.g. indices, rates, share prices, currencies)

Benchmark Information

The Fund's performance can be assessed by reference to a blended benchmark of:

- 30% - the MSCI All Countries World Total Return Index;
- 30% - MSCI All Countries World Total Return Local Currency Index (GBP);
- 30% - Bank of America Merrill Lynch Sterling Broad Market Index; and
- 10% - 3 month GBP LIBOR

This represents the typical asset mix of the Fund.

Sarasin Fund of Funds – Global Equity

Investment objective

We seek to grow the Fund (through increases in investment value and income) over a rolling 5 year period after deducting fees and costs.

Investment policy

Investments

We generally invest 100% of the Fund's assets in other funds whose underlying assets will mainly be shares in companies from around the world.

The Fund can also invest in similar underlying assets directly.

Additional Techniques

We may only use derivatives to maintain the Fund's value, manage investment risk and to gain cost-effective access to investments. Derivatives are financial contracts whose value is linked to the price of another asset (e.g. indices, rates, share prices, currencies).

Benchmark Information

The Fund's performance can be assessed by reference to a blended benchmark of:

50% - the MSCI All Countries World Total Return Index

50% - MSCI All Countries World Total Return Local Currency Index (GBP)

This blended benchmark represents a typical mix of assets held by the Fund.

A summary of the Sub-Funds' investment and borrowing powers and applicable limits is set out in Appendix 4 of this prospectus.

The underlying funds

The collective investment schemes in which each Sub-Fund invests are based around the world, but will predominantly be based in the United Kingdom, Ireland, Luxembourg and the United States of America.

Further Sub-Funds

Subject to the Instrument and COLL, further sub-funds may be established in the future.

4 RISK FACTORS AND MANAGEMENT

Applicants should bear in mind that all investment carries risk and in particular should be aware of the following general risks associated with investment in the Sub-Funds. Applicants should be aware that this list is not comprehensive as there may be new risks that arise in the future which could not have been anticipated in advance.

General risks

- (a) Past performance is not a guide to future performance. The value of Shares and the income derived from them can go down as well as up and as a result the Shareholder may not get back the amount originally invested. This can be as a result of market movements and also of variations in the exchange rates between currencies.
- (b) The ACD's initial charge (as set out in section 23 under the heading "**The Authorised Corporate Director's Charges**") is deducted from an investment at the outset such that an equivalent rise in the value of the Shares is required before the original investment can be recovered. The Shares should therefore be viewed as a medium to long term investment.
- (c) The ACD may apply a **dilution adjustment** to the Company (as explained further in section 15) to the price payable on the purchase or redemption of Shares. Where a dilution

adjustment is not applied the Company may incur dilution which may constrain capital growth.

- (d) Where assets are held in custody, there may be a risk of loss resulting from the insolvency, negligence or fraudulent action of the custodian or sub-custodian.
- (e) The summary of the UK tax treatment in section 26 (“**Taxation**”) is based on current law and practice which may change. The levels of relief from taxation will depend upon individual circumstances. Please note current tax levels and reliefs may change and their value will depend on a Shareholder's individual circumstances.
- (f) Shareholders are reminded that in certain exceptional circumstances their right to redeem Shares may be suspended (see "**Suspension of Dealings**" in section 19), where it is in the interests of Shareholders.
- (g) Investment in the Sub-Funds should be regarded as a medium to long term investment and Shareholders should not invest money that they may require in the short term.
- (h) There is no guarantee that the objectives of the Sub-Funds will be achieved.
- (i) Currency fluctuations may adversely affect the value of a Sub-Fund's investments and depending on a Shareholder's currency of reference, currency fluctuations may adversely affect the value of an investment in Shares.
- (j) While the provisions of the OEIC Regulations provide for segregated liability between the Sub-Funds, these provisions are subject to the scrutiny of the courts, and it is not free from doubt, in the context of claims brought by local creditors in foreign courts or under foreign law contracts, that the assets of a Sub-Fund will always be 'ring-fenced' from the liabilities of other Sub-Funds of the Company.
- (k) It is the responsibility of the Depositary to safeguard the Scheme Property of the Sub-Funds in accordance with the Regulations. The Depositary may pool the Scheme Property of the Sub-Funds with the property of its other clients, but must maintain a record of the Scheme Property attributable to each of its clients so that it can identify at all times the Scheme Property attributable to the Sub-Funds, and must treat the Scheme Property as a segregated portfolio of assets belonging exclusively to the relevant Sub-Fund.
- (l) Legal and regulatory changes could occur during the life of the Company and such changes may adversely affect the ability of the Sub-Funds to pursue their strategies.
- (m) The Investment Manager will provide discretionary investment management services in respect of the Sub-Funds. The success of the Sub-Funds depends upon the ability of the Investment Manager to successfully implement the investment objectives and policies of the Sub-Funds. No assurance can be given that the Investment Manager will be able to do so.
- (n) In order to avoid a U.S. withholding tax of 30% on certain payments (including payments of gross proceeds), the Company will be required to enter into an agreement with the USA's Internal Revenue Service (the "**Service**") identifying certain direct and indirect U.S. equity holders. A non-U.S. Shareholder in the Company could be required to provide to the ACD information which identifies its direct and indirect U.S. ownership. Any such information will be shared with the Service. Shareholders who fail to provide such information to the ACD would be subject to the 30% withholding tax with respect to their share of any payments attributable to U.S. investments in the Sub-Funds. Shareholders should consult their own tax advisers regarding the possible implications of this legislation on their investment in the Sub-Funds.

Specific risks

- (a) The Sub-Funds will invest in other collective investment schemes in accordance with their investment objectives and policies. As an investor in another collective investment scheme, a Sub-Fund will bear, along with the other investors, its proportion of the expenses of the other collective investment scheme, including 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.
- (b) In certain circumstances, for EPM purposes (including hedging) the Sub-Funds may enter into certain derivatives transactions, including, without limitation, forward transactions, futures and options. The value of these investments may fluctuate significantly. By holding these types of investments there is a risk of capital depreciation in relation to certain assets however there is also the potential for capital appreciation of such assets. The Sub-Funds' use of derivative techniques will have the overall intention of reducing the volatility of returns. The ACD does not anticipate that the use of derivatives will have any significant effect on the risk profile of the Sub-Funds. For a summary of the types of derivatives which the Sub-Funds may utilise, see paragraph 11 entitled “**Derivatives- General**” to paragraph 15 “**OTC Transactions in Derivatives**” of **Appendix 4**.
- (c) Where a Sub-Fund invests in shares and/or units of another collective investment scheme it will assume any specific risks associated with those collective investment schemes.
- (d) As set out in Appendix 4, the Sub-Funds may utilise cash borrowing, financial derivative instruments and reinvestment of cash collateral. When these techniques are used, a Sub-Fund's exposure (the amount potentially at risk of loss) may exceed the value of that Sub-Fund's assets. This has the potential to increase the opportunity for gains but may magnify the effect of losses.

Liquidity risk management

The ACD has a liquidity management policy and maintains tools and methods of monitoring the liquidity of the Sub-Fund and to ensure that the ACD can carry out investment requests. The liquidity risk management policies and procedures include the management, implementation and maintaining of appropriate liquidity limits for the Sub-Fund and periodic stress testing of the liquidity risk of each Sub-Fund under both normal and exceptional liquidity conditions to ensure that anticipated redemption requests can be met. In normal circumstances, dealing requests will be processed as set out above. In exceptional circumstances, other procedures, such as suspending dealings in a the Sub-Fund, borrowing cash, deferring the redemption of units, or applying in-specie redemptions may be used. If the ACD's policy for managing liquidity should change, this will be set out in the annual report.

Typical Investor

The Sub-Funds may be marketed to all classes of investor subject to the particular restrictions on investment in the Class D Shares, Class P Shares and Class X Shares as more fully described in Section 17 (**Purchase, Redemption and Exchange of Shares**) below.

Applicants for Shares in the Sub-Funds will typically understand and appreciate the risks associated with investing in Shares in the Sub-Funds or will have received advice from an appropriately qualified financial adviser. In particular Applicants should bear in mind the relevant risk factors which are set out above.

The Sub-Funds are intended to be suitable for investors who can remain invested in the Sub-Fund(s) for the medium to long term, in this case 3 to 7 years or more.

5 THE AUTHORISED CORPORATE DIRECTOR

The Authorised Corporate Director ("**ACD**") of the Company is Sarasin Investment Funds Limited. The ACD is a private company limited by shares, incorporated in England and Wales on 10 November 1987 under the Companies Act 1985. The registered and head office of the ACD is at Juxon House, 100 St. Paul's Churchyard, London EC4M 8BU. This is the address at which notices or other documents may be served on the Company. The amount of the ACD's issued share capital is £250,000 represented by 250,000 ordinary shares of £1 each fully paid.

The ACD is authorised by the Financial Conduct Authority to act as manager of an alternative investment fund.

The ACD also acts as authorised corporate director of Sarasin Funds ICVC, The Mazener Fund and The Sarasin Fund for Charities, and acts as manager of the Sarasin Charity Authorised Investment Funds, which are funds available for investment by UK registered charities.

The ACD is responsible for managing and administering the Sub-Funds' affairs in compliance with the FCA Rules including portfolio management and risk management.

The ACD may provide investment services to other clients and funds and to companies in which the Company may invest in accordance with the Regulations.

When managing investments of the Company, the ACD will not be obliged to make use of information where doing so would be a breach of duty or confidence to any other person or which comes to the notice of an employee or agent of the ACD but properly does not come to the notice of an individual managing the assets of the Company.

The directors of the ACD are:

- Guy Matthews;
- Mr. John B. Lake;
- Christopher Bell; and
- Simon Jeffries.

The ACD provides its services to the Company under the terms of an alternative fund manager agreement (the "**ACD Agreement**") dated 22 July 2014, as amended from time to time. The ACD Agreement will terminate with immediate effect if the ACD ceases to hold office as such. In addition to termination by reason of certain events of default by the ACD, the ACD's appointment may be terminated by the Company in a general meeting at any time. Otherwise, the ACD Agreement may be terminated by the ACD upon written notice. No such notice shall take effect until the appointment of a successor ACD.

The ACD Agreement contains certain limitations upon the liability of the ACD where loss or damage has been caused to the Company, save where loss arises by reason of fraud or any liability which by virtue of any rule of law would otherwise attach to the ACD in respect of any negligence, wilful default, breach of duty or breach of trust on the part of the ACD. The ACD Agreement contains an indemnity from the Company to the ACD in respect of losses, claims and similar liabilities incurred by the ACD as such, save where such losses, claims and similar liabilities arise from the negligence, fraud or wilful default of the ACD.

The ACD has delegated its administration and registrar functions to Northern Trust Global Services SE. The ACD's investment management function has been delegated to Sarasin & Partners LLP in respect of the Sub-Funds.

6 THE INVESTMENT MANAGER

Sarasin & Partners LLP is the Investment Manager to the ACD in relation to the Sub-Funds. The Investment Manager is a limited liability partnership registered in England and Wales with registration number OC329859, and is authorised and regulated by the FCA. The Investment Manager's principal activity is the provision of investment management services to group companies and third parties.

Pursuant to an investment management agreement between the Investment Manager and the ACD dated 1 June 2012 (the "IMA") and as amended from time to time, the Investment Manager provides general discretionary investment management services in respect of each of the Sub-Funds and dealing services together with related valuation facilities in relation to a wide range of investments. The Investment Manager has the authority to make decisions on behalf of the ACD in relation to the Sub-Funds' investments subject always to the provisions of the Instrument, this Prospectus, the Regulations and the investment objectives and policies of the Sub-Funds. Subject to instances where the agreement may be terminated with immediate effect in the interests of the Shareholders, the IMA may be terminated by the ACD at any time upon written notice to the Investment Manager, and by the Investment Manager upon no less than 3 month's written notice to the ACD.

The Investment Manager will receive a fee paid by the ACD out of its remuneration received each month from the Funds as explained in paragraph 23 below. Any third party research received in connection with investment management services that the Investment Manager provides to the Funds will be paid for by the Investment Manager.

The Investment Manager is in the same group of companies as the ACD and its registered office is also Juxon House, 100 St. Paul's Churchyard, London EC4M 8BU. Guy Matthews, Simon Jeffries and Chris Bell (who are directors of the ACD) are also members of the Investment Manager.

7 THE DEPOSITARY

NatWest Trustee and Depositary Services Limited is the Depositary of the Company. The Depositary is incorporated in England as a private limited company. Its registered and head office is at 250 Bishopsgate, London EC2M 4AA. The ultimate holding company of the Depositary is the Royal Bank of Scotland Group plc, which is incorporated in Scotland. The principal business activity of the Depositary is the provision of trustee and depositary services.

The Depositary is responsible for the safekeeping of scheme property, monitoring the cash flows of the Company, and must ensure that certain processes carried out by the Company are performed in accordance with the applicable rules and scheme documents.

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

The Depositary is responsible for the safekeeping of the Scheme Property of the Company. The Depositary provides its services under the terms of an agreement between the Company and the Depositary (the "**Depositary Agreement**") which may be terminated by six months' notice by either the Company or the Depositary or earlier on certain breaches or the insolvency of a party. However, termination of the Depositary Agreement will not take effect, nor may the Depositary retire voluntarily, until the appointment of a new Depositary. Under the Depositary Agreement, the Depositary is free to render similar services to others and the Depositary, the Company and the ACD are subject to a duty not to disclose confidential information. The powers, duties, rights and obligations of the Depositary, the Company and the ACD under the Depositary Agreement shall, to the extent of any conflict, be overridden by the FCA Rules. Subject to COLL, the Depositary has full power under the Depositary Agreement to delegate (and authorise its delegates to sub-delegate) all or any part of its duties as Depositary. The Depositary is entitled to the fees,

charges and expenses which are included in the fixed operating charge as set out in section 24 below.

The Depositary Agreement contains indemnities by the Company in favour of the Depositary and will also (in certain circumstances) exempt the Depositary from liability. This is explained further in section 35 (**Other Information- Liability and Indemnity**) below.

The Depositary is permitted to delegate (and authorise its delegate to sub-delegate) the safekeeping of Scheme Property. The Depositary has delegated custody services to the Custodian. In turn, the Custodian has delegated the custody of assets in certain markets in which a Fund may invest to various sub-delegates (“**sub-custodians**”). The relevant arrangements prohibit the Custodian from releasing the property of the Company into the possession of a third party without the consent of the Depositary. The Trustee has confirmed that it is not aware of any conflict of interest arising from its delegation of custody of Scheme Property. Should any such conflict arise, the Trustee shall notify the Investment Manager and take necessary steps to address the conflict. A list of sub-custodians is given in Appendix 6. Investors should note that the list of sub-custodians is updated only at each Prospectus review.

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

8 ADMINISTRATOR AND REGISTRAR

The ACD has appointed Northern Trust Global Services SE as the Administrator and Registrar to provide certain administration and registrar services to the Company. The registered office of the Administrator and Registrar is 50 Bank Street, Canary Wharf, London E14 5NT.

9 NO LIABILITY TO ACCOUNT

Neither the ACD, Depositary, Administrator, Registrar, Investment Manager or any other person involved with the establishment and/or operation of the Company are liable to account to each other or to the Shareholders or former Shareholders of the Company for any profits or benefits they may make or receive which are made, derived from or in connection with:

- (a) dealings in the Shares of the Company;
- (b) any transaction in the underlying property of the Company; or
- (c) the supply of services to the Company.

10 AUDITORS

The Auditors are Deloitte LLP. They are responsible for auditing the annual accounts of the Company and expressing an opinion on certain matters relating to the Company in the annual report including whether the accounts have been prepared in accordance with applicable accounting standards, the FCA Rules and the Instrument.

11 SHARES IN THE COMPANY

Under the Company's Instrument the Company is permitted to issue income and accumulation Shares, in relation to the Sub-Funds under such further designations as the ACD shall decide, and which may be distinguished by their criteria for subscription and fee structure. The Classes currently available in respect of the Sub-Funds are as follows:

- (a) Class A Shares;
- (b) Class D Shares;

- (c) Class I Shares;
- (d) Class P Shares;
- (e) Class X Shares; and
- (f) Class Z Shares.

Further Classes may be issued by the ACD from time to time in accordance with the Instrument and the Regulations. This Prospectus will be updated to reflect the new Class(es).

Each income Share is deemed to represent one undivided unit of entitlement in the property of a Sub-Fund. Where both income and accumulation Shares are in existence in relation to a Sub-Fund, the number of undivided units of entitlement in the property of a Sub-Fund represented by each accumulation Share increases as income is accumulated.

Holders of income Shares receive distributions, whereas holders of accumulation Shares do not receive payments of income. Any income (net of any tax) arising in respect of an income Share attributable to a particular Sub-Fund shall be determined and distributed as summarised in section 20 under the heading "**Distribution**".

Any income (net of tax) arising in relation to an accumulation Share will be credited automatically to capital which will be reflected in the price of such accumulation Share. Separate prices are quoted for each class of Share.

Where both income and accumulation Shares are in existence in relation to a Sub-Fund, the income of that Sub-Fund is allocated between income Shares and accumulation Shares according to the respective units of entitlement in the property of that Sub-Fund represented by the accumulation Shares and income Shares in existence at the end of the relevant accounting period.

The rights attaching to the Shares of all Classes may be expressed in two denominations and, in each of these Classes, the proportion of a larger denomination share represented by a smaller denomination share shall be one thousandth of the larger denomination.

The Instrument allows the Company to issue gross income and gross accumulation Shares as well as net income and net accumulation Shares. Net Shares are Shares in respect of which income allocated to them is distributed periodically to the relevant Shareholder (in the case of income Shares) or credited periodically to capital (in the case of accumulation Shares), in either case in accordance with relevant tax law, net of any tax deducted or accounted for by the Company. Gross Shares are income or accumulation Shares where, in accordance with relevant tax law, distribution or allocation of income is made without any tax being deducted or accounted for by the Company.

Different Charging Structures

The different Classes of Shares which are issued by the Sub-Funds, as explained above, reflect the differential charging structures and minimum initial and subsequent investment requirements described in section 16 and section 22. The number of units of entitlement in the property of the relevant Sub-Fund represented by income and accumulation Shares of each such Class is adjusted on each Dealing Day as necessary to ensure that the correct level of charge is reflected in their respective share prices.

Subscription Criteria

Investment in certain Classes may be restricted, however the ACD may accept applications at its discretion as set out in Section 16 (Purchase, Redemption and Exchange of Shares) below.

12 REGISTER

A register of Shareholders and any plan registers are maintained at the office of the Registrar at 50 Bank Street, Canary Wharf, London E14 5NT where they can be inspected by Shareholders during normal office hours by prior appointment.

No certificates will be issued in respect of a holding of Shares and the register is prima facie evidence as to matters properly entered in it. No notice of any trust express, implied or constructive may be entered in the register or be receivable by the Company. The Registrar is not obliged to register more than four persons as the joint holders of any Shares and should any Shareholder require evidence of title to Shares the ACD will, upon such proof of identity and the payment of such fee (if any) as the ACD may reasonably require, supply the Shareholder with a certified copy of the relevant entry in the register relating to the Shareholder's holding of Shares.

Shareholders should notify the Registrar in writing of any change to their name or address.

No bearer shares are issued.

13 VALUATIONS

Each Share represents a proportional share of the overall property attributable to the Company. Therefore, the value of a Share attributable to a Sub-Fund is calculated, in broad outline, by calculating the net value of the property attributable to that Sub-Fund, and dividing that value (or that part of that value attributed to Shares of the class in question) by the number of Shares (of the class in question) in issue.

Valuations are normally carried out on each Dealing Day (being each day which is a Business Day). The valuation point for the Sub-Funds is 12 noon each Dealing Day.

The calculation of prices of Shares commences at or about the valuation point on each Dealing Day. The ACD may carry out additional valuations if it considers it desirable to do so. Valuations will not be made during a period of suspension of dealings (see section 19 "**Suspension of Dealings**" below). The ACD is required to notify the Depositary if it carries out an additional valuation.

The Scheme Property attributable to the Sub-Funds is, for all purposes, valued on the following basis (which is set out in full in the Company's Instrument):

- (1) Scheme Property which is not cash (or other assets dealt with in paragraphs (6) and (8) below) shall be valued as follows and the prices used shall (subject as follows) be the most recent prices which it is practicable to obtain:
- (2) units or shares in a collective investment scheme:
 - (a) if a single price for buying and selling units or shares is quoted, at that price; or
 - (b) if separate buying and selling 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 selling price has been increased by any exit or redemption charge attributable thereto; or
 - (c) 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, at a value which, in the opinion of the ACD, is fair and reasonable;
- (3) exchange-traded derivative contracts:

- (a) if a single price for buying and selling the exchange-traded derivative contract is quoted, at that price; or
 - (b) if separate buying and selling prices are quoted, at the average of the two prices;
- (4) over-the-counter derivative contracts shall be valued in accordance with the method of valuation as shall have been agreed between the ACD and the Depositary;
- (5) any other investment:
 - (a) if a single price for buying and selling the security is quoted, at that price; or
 - (b) if separate buying and selling prices are quoted, at the average of the two prices; or
 - (c) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if the most recent price available does not reflect the ACD's best estimate of the value, at a value which, in the opinion of the ACD, is fair and reasonable;
- (6) Scheme Property other than that above will be valued at a value which, in the opinion of the ACD, represents a fair and reasonable mid-market price.
- (7) Cash and amounts held in current, margin and deposit accounts and in other time-related deposits shall be valued at their nominal values.
- (8) In determining the value of the Scheme Property, all instructions given to issue or cancel Shares shall be assumed (unless the contrary is shown) to have been carried out and any cash payment made or received and all consequential action required by the Regulations or the Instrument shall be assumed (unless the contrary has been shown) to have taken place.
- (9) Subject to paragraphs (10) and (11) below, agreements for the unconditional sale or purchase of property which are in existence but uncompleted shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and, in the opinion of the ACD, their omission shall not materially affect the final net asset amount.
- (10) 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 (9), above.
- (11) All agreements are to be included under paragraph (9), above which are, or ought reasonably to have been, known to the person valuing the property assuming that all other persons in the ACD's employment take all reasonable steps to inform it immediately of the making of any agreement.
- (12) Deduct an estimated amount for anticipated tax liabilities (on unrealised gains where the liabilities have accrued and are payable out of the property of the scheme; on realised capital gains in respect of previously completed and current accounting periods; and on income where liabilities have accrued) including (as applicable and without limitation) capital gains tax, income tax, corporation tax and value added tax.
- (13) Deduct an estimated amount for any liabilities payable out of the Scheme Property and any tax thereon treating periodic items as accruing from day to day.

- (14) Deduct the principal amount of any outstanding borrowings whenever payable and any accrued but unpaid interest on borrowings.
- (15) Add an estimated amount for accrued claims for tax of whatever nature which may be recoverable.
- (16) Add any other credits or amounts due to be paid into the Scheme Property.
- (17) Add a sum representing any interest or any income accrued due or deemed to have accrued but not received.
- (18) Currencies or values in currencies other than base currency or (as the case may be) the designated currency of the Company 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.

Valuations – General

Where the ACD has reasonable grounds to believe that:

- (a) no reasonable price exists for a security at a valuation point; or
- (b) the most recent price available does not reflect the ACD's best estimate of the value of a security at a valuation point,

it will value an investment at a price which, in its opinion, reflects a fair and reasonable price for that investment (the fair value price).

The circumstance which may give rise to a fair value price being used includes where there has been no recent trade in the security concerned or where there has been the occurrence of a significant event since the most recent closure of the market where the price of the security is taken.

14 PRICES OF SHARES

Shares in the Company are "single priced". This means that subject to the dilution adjustment referred to below and the initial charge (explained in Section 23 (**the Authorised Corporate Director's Charges**)), the price of a Share for both buying and selling purposes will be the same and determined by reference to a particular valuation point. The price of a Share is calculated at or about the valuation point each Dealing Day (to at least four significant figures) by:

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

Applicants should bear in mind that on purchase, the ACD's initial charge is deducted from the investment at the outset.

Pricing Basis

The Company deals on a forward basis. A forward price is the price calculated at the next valuation point after the sale, redemption or switch of Shares is agreed.

Publication of Prices

All prices of all Share classes will be published on the website at www.sarasinandpartners.com and may also be obtained from the Registrar at 50 Bank Street, Canary Wharf, London E14 5NT. Share prices may also be obtained from the Administrator by telephoning 0333 300 0373. Please note that telephone calls may be recorded by the ACD, its delegates, their duly appointed agents and any of their respective related, associated or affiliated companies for record keeping, security and/or training purposes. Please see clause 36 below for further information.

Neither the Company nor the ACD are responsible for any errors in publication or for non-publication. The ACD sells and redeems Shares on a forward pricing basis, not on the basis of the published prices.

15 DILUTION ADJUSTMENT

The actual cost of purchasing or selling Shares in a Sub-Fund may be higher or lower than the mid-market value used in calculating the Share price. These costs may include dealing charges, commissions and the effects of dealing at prices other than the mid-market price. The effects of transaction charges and the dealing spread may have a materially disadvantageous effect on the Shareholders' interest in a Sub-Fund.

To prevent this effect, known as "dilution", the ACD may charge a dilution adjustment when there are net inflows into a Sub-Fund or net outflows from a Sub-Fund, so that the price of a Share is above or below that which would have resulted from a mid-market valuation. It is not, however, possible to predict accurately whether dilution will occur at any point in time. Consequently it is not possible to accurately predict how frequently the ACD will need to make such a dilution adjustment. The charging of a dilution adjustment may reduce the redemption price or increase the purchase price of Shares.

The imposition of a dilution adjustment will depend on the volume of sales or redemptions of Shares. The ACD may make a dilution adjustment:

- (a) if net sales or redemptions are over 3% of the Sub-Fund's Net Asset Value for Sub-Funds;
or
- (b) where a Sub-Fund is in continual decline (i.e. is suffering a net outflow of investments); or
- (c) in any other case where the ACD believes that it is in the interest of Shareholders to impose a dilution adjustment.

The dilution adjustment for each Sub-Fund will be calculated by reference to the costs of dealing in the underlying investments of that Sub-Fund, including any dealing spreads, commission and transfer taxes including United Kingdom Stamp Duty (if any) payable on purchases of underlying securities. The cost of dealing in underlying investments can vary over time and as a result the amount of dilution adjustment will also vary over time. The price of each class of Share in a Sub-Fund will be calculated separately but any dilution adjustment will affect the price of Shares of each class of Share in each Sub-Fund equally. When the dilution adjustment is not made and Shares are bought or sold at a mid-market price there may be an adverse impact on the total assets of a Sub-Fund.

Estimates of the dilution adjustment that might be applied to the Sub-Funds, based on historical information, are:

Fund	On Redemption (%)	On Subscription (%)
Sarasin Fund of Funds – Global Dividend Growth	0.10	0.11
Sarasin Fund of Funds – Global Equity	0.11	0.12

These rates are indicative and are only intended to provide a guide to Shareholders and potential Shareholders of the possible rates at which a dilution adjustment may be charged.

16 STAMP DUTY RESERVE TAX

Stamp Duty Reserve Tax ("**SDRT**") is payable on the redemption of a share in the context of authorised investment funds. Redemptions of shares (redemptions for this purpose includes non-exempt transfers of legal or beneficial ownership of shares and switches to another fund) may therefore be liable to a payment of SDRT of up to 0.5% of the market value of the shares redeemed.

However, the Sub-Fund is not treated as an authorised investment fund for SDRT purposes because the shares can only be held by bodies or persons established for charitable purposes only or trustees of trusts so established, therefore SDRT will not be payable on redemptions of shares in the Sub-Fund.

17 PURCHASE, REDEMPTION AND CONVERSION OF SHARES

The ACD's own dealing

Requests for the purchase, redemption and Conversion of Shares are normally dealt with by the issue or cancellation of such Shares by the Company. However, in certain circumstances, the ACD may deal with such requests by selling Shares to and/or repurchasing them from the applicant as appropriate. In other words, the ACD is entitled to hold Shares for its own account and to satisfy requests for the sale of Shares from its own holding (this is generally referred to as the ACD dealing from its "**box**"). The ACD is required to procure the issue or cancellation of Shares by the Company where necessary to meet any obligations to sell or redeem Shares. Shares will be issued, redeemed, sold or repurchased at the price calculated by reference to the valuation point following receipt of the request (on a forward basis).

The ACD may not sell a Share at a higher price, or redeem a Share at a lower price from its "**box**" (in both cases before application of any initial charge or dilution adjustment as applicable) than the price notified to the Depositary in respect of the valuation point concerned.

Purchase

Applications

Subject to the minimum subscription requirements relating to the Classes of Shares as set out below, applications for all Classes of Shares linked to any Sub-Fund may be made by any person, with the exception of the following Classes of Shares:

- (i) Class D Shares, Class X Shares and Class Z may only be held by investors who are clients or who otherwise have a discretionary investment management arrangement with the Investment Manager. Investment in Class D Shares, Class X Shares and Class Z by other investors may be accepted by the ACD at its discretion.

- (ii) Class P Shares may only be held by investors who subscribe through a ‘platform service’ as such term will be defined in the FCA’s Handbook (including any amendments thereto) which, as of the date of this Prospectus, is defined as:

“a service which:

- (i) *involves arranging and safeguarding and administering assets; and*
- (ii) *distributes retail investment products which are offered to retail clients by more than one product provider;*

but is neither

- (i) *solely paid for by adviser charges; nor*
- (ii) *ancillary to the activity of managing investments for the retail client.”*

Furthermore, it would be expected that in dealing with the ACD the platform would provide straight-through processing using industry-standard systems and underlying client trades would be aggregated to provide bundled dealing in nominee companies. Investment in Class P Shares by other investors may be accepted by the ACD at its discretion.

Dealings are at forward prices, i.e. at prices calculated by reference to the next valuation following receipt of the application. Shares to satisfy an application received before the Dealing Cut Off Point of the appropriate Sub-Fund will be sold at a price based on that Dealing Day’s valuation. Shares to satisfy an application received after the Dealing Cut Off Point on a Dealing Day, or on a day which is not a Dealing Day, will be sold at a price based on the valuation made on the next Dealing Day.

Where an application is sent by fax the completed original application must follow promptly by mail. Applicants are reminded that if they choose to send applications by fax or email they bear their own risk of such applications not being received.

Applications for Shares may be made by:

- (a) completing an application form, which should be posted to the ACD at Sarasin Investment Funds Limited, Sunderland, SR43 4AX or by facsimile on 020 7643 3910; or
- (b) by telephone on 0333 300 0373 or by electronic means on such terms as the ACD may specify,

in each case, with the original signed application forms and supporting documentation in relation to anti-money laundering verification checks to follow promptly by post to the ACD before the relevant Dealing Cut Off Point on any Dealing Day. Application forms are available from the ACD. Applications, however made, are irrevocable. Subject to its obligations under FCA Rules, the ACD reserves the right to reject any application in whole or in part. In that event, application monies or any balance will be returned to the applicant by post at the applicant's risk.

Please note that telephone calls may be recorded by the ACD, its delegates, their duly appointed agents and any of their respective related, associated or affiliated companies for record keeping, security and/or training purposes. Please see clause 36 below for further information.

The Company is subject to legislation implementing the United Kingdom’s obligations under various intergovernmental agreements relating to the automatic exchange of information to improve international tax compliance (including EU directives and the United States provisions

commonly known as FATCA), the Company or its agent will collect and report information about Shareholders and their investments where required for this purpose, including information to verify their identity and tax status.

If requested to do so by the Company or its agent, Shareholders must provide information to be passed on to HM Revenue & Customs (and by them to any relevant overseas tax authorities).

Money Laundering Prevention

The Company is subject to the UK's anti-money laundering regulations and any other requirements imposed on the Company by statute or by the regulators. The ACD may in its absolute discretion require verification of identity from any Applicant including, without limitation, any Applicant who:

- (a) tenders payment by way of cheque or banker's draft on an account in the name of a person or persons other than the Applicant; or
- (b) appears to the ACD to be acting on behalf of some other person.

In the former case, verification of the identity of the Applicant may be required. In the latter case, verification of the identity of any person on whose behalf the Applicant appears to be acting may be required.

The ACD may refuse any application for the purchase or redemption of Shares if, in its sole opinion, the required anti-money laundering information is either incomplete or insufficient or has not been provided on a timely basis. In such cases where income Shares are registered to a Shareholder, the ACD may withhold distribution payments due to Shareholders, and instead allocate additional Shares to the value of the distribution to the Shareholder. Any such Shares may be redeemed once the ACD has accepted that anti-money laundering information is completed, as described later in this section.

Each Applicant/Shareholder acknowledges that the Company, the Sub-Funds, the ACD, the Investment Manager, the Depositary, the Custodian and the Administrator shall be held harmless against any loss howsoever caused arising as a result of a failure to process such Applicant's/Shareholder's request to purchase or redeem any Shares in the Sub-Funds if such information is incomplete, insufficient or was not provided on a timely basis.

Legislative measures aimed towards the prevention of money laundering require detailed verification of each Applicant's/Shareholder's identity, address and source of funds. The Administrator reserves the right to request such information as is necessary to verify the identity of an Applicant/Shareholder.

In the event of delay or failure by the Applicant to produce any information required for verification purposes, the Administrator may refuse to accept the application and return all subscription monies or compulsorily redeem such Applicant's/Shareholder's Shares and/or payment of redemption proceeds may be delayed and none of the Sub-Funds (or any of them), the Directors, the ACD, the Investment Manager, the Depositary, the Custodian or the Administrator shall be liable to the Applicant/Shareholder where an application, transfer, exchange or redemption of Shares is not processed or Shares are compulsorily redeemed in such circumstances. If an application is rejected, the Administrator will return application monies or the balance thereof by electronic or telegraphic transfer in accordance with any applicable laws to the account from which it was paid at the cost and risk of the Applicant/Shareholder.

The Administrator will refuse to pay redemption proceeds where the requisite information for verification purposes has not been produced by the Shareholder. Each Shareholder acknowledges that the Administrator, the Company, any Sub-Fund, the Directors, the Depositary, the Custodian,

the ACD and the Investment Manager shall be held harmless against any loss arising as a result of a failure to process such Shareholder's request to redeem if such information as requested by the ACD or the Administrator has not been provided on a timely basis.

Documents Shareholders will receive

Applications will not be acknowledged but a contract note will be sent on or before the business day next following the relevant Dealing Day. Certificates will not be issued. Where the total price payable for all Shares for which the application is made would include a fraction of one penny it will be rounded up or down to the nearest penny.

If payment has not already been made, this will be due in cash or cleared funds not later, than the fourth Business Day after the relevant Dealing Day.

If an Applicant defaults in making any payment in money or transfer of property due to the ACD in respect of the sale or issue of Shares, the Applicant shall indemnify the ACD and/or the Company (as the case may be) in respect of any loss or cost incurred by either of them as a result of such default and the Company is entitled to make any necessary amendment to the register and the ACD will become entitled to the Shares in place of the Applicant (subject, in case of an issue of Shares, to the ACD's payment of the purchase price to the Company). The ACD may, at its discretion, delay arranging for the issue of the Shares until payment has been received.

In Specie Application

The ACD may, by special arrangement and at its discretion, agree to arrange for the issue of Shares in exchange for assets other than cash but only if the Depositary is satisfied that acquisition of the assets in exchange for the Shares to be issued is not likely to result in any material prejudice to the interests of Shareholders or potential Shareholders of the Sub-Fund concerned.

Minimum Purchase and Holding

The table below sets out the minimum value of Shares which any one person may purchase initially, and the minimum value of Shares which may be held. The ACD may, by special arrangement and at its absolute discretion waive in whole or in part the minimum investment and holding levels which apply to each Share class.

Share Class	Minimum Investment and Holding Levels
Class A Shares	£1,000
Class D Shares	£5,000,000
Class I Shares	£1,000,000
Class P Shares	£1,000
Class X Shares	£1,000
Class Z Shares	£1,000

Where the value of an individual holding of Shares of a given class would, in consequence of a request for redemption/cancellation, fall below the minimum holding for that class of Shares, such request may be treated as a request for redemption/cancellation of all the Shares of such class held by such Shareholder. The value of Shares for this purpose is calculated by reference to their current price, net of any initial charge and before any application of a dilution adjustment.

Redemption Arrangements

Shares in a Sub-Fund may be redeemed on any Dealing Day. Dealings are on a forward price basis as explained in the paragraph headed "**Purchase**" under this section 17, above. Shares to be redeemed pursuant to a redemption request received before the Dealing Cut Off Point of the relevant Sub-Fund on a Dealing Day will be redeemed at a price based on that Dealing Day's valuation. Shares to be redeemed pursuant to a redemption request received after that time, or on a day which is not a Dealing Day, will be redeemed at a price based on the valuation made on the next Dealing Day.

Redemption instructions may be given by:

- (a) letter at Sarasin Investment Funds Limited, Sunderland, SR43 4AX;
- (b) fax on 020 7643 3910;
- (c) telephoning the ACD on 0333 300 0373; or
- (d) electronic means on such terms as the ACD may specify,

before the relevant Dealing Cut-Off Point on any Dealing Day. In each case the original signed redemption forms and supporting documentation should be sent promptly by post to the ACD. Redemption instructions given by telephone must be confirmed in writing to the ACD prior to redemption proceeds being remitted. Redemption instructions are irrevocable.

Where a redemption is sent by fax or telephone the original signed instructions must follow promptly by mail. Shareholders are reminded that if they choose to send redemptions by fax or email they bear their own risk of such redemptions not being received.

Please note that telephone calls may be recorded by the ACD, its delegates, their duly appointed agents and any of their respective related, associated or affiliated companies for record keeping, security and/or training purposes. Please see clause 36 below for further information.

No redemption payments will be made to a Shareholder until all documents required by the ACD (including documents in connection with anti-money laundering procedures) have been provided and anti-money laundering procedures have been completed. Each Shareholder acknowledges that the Company, the Sub-Funds, the ACD, the Investment Manager the, Depositary, the Custodian and the Administrator shall be held harmless against any loss howsoever caused arising as a result of a failure to process such Shareholder's request to redeem any Shares in the Sub-Funds if such information has not been provided on a timely basis.

Documents redeeming Shareholders will receive

A redemption contract note will be sent on or before the next Business Day following the relevant Dealing Day. Where the total consideration for the transaction would include a fraction of one penny it will be rounded up or down to the nearest penny. There may also be deducted, if the consideration is to be remitted abroad, the cost of remitting the proceeds (if any). The redemption proceeds will be paid not later than the close of business on the fourth Business Day after the later of the following times:

- (a) the valuation point immediately following the receipt by the ACD of the request to redeem the Shares; or
- (b) the time when the ACD has received all duly executed instruments and authorisations which effect (or enable the ACD to effect) transfer of title to the Shares.

Neither the Company nor the ACD is required to make payment in respect of a redemption of Shares where the money due on the earlier sale of those Shares has not yet been received or where the ACD considers it necessary to carry out or complete identification procedures in relation to the holder or another person pursuant to a statutory, regulatory or European Community obligation (such as the UK's anti-money laundering regulations). Neither the Company nor the ACD will be held responsible for any delay in payment as a consequence of anti-money laundering checks being undertaken.

Minimum Redemption

In respect of Class A and Class I Shares, and subject to the minimum holding requirements, if the redemption request is in respect of only some of the Shares held, the minimum value of Shares which may be the subject of one act of redemption is £250 (calculated by reference to their current price net of any initial charge and before any dilution adjustment). There is no minimum value of Class D, Class P and Class X Shares which may be the subject of redemption.

However, the ACD may, by special arrangement and at its discretion, agree on an individual basis a lower amount in relation to the minimum redemption size.

Limitations on Redemption

The ACD may at its discretion limit the number of Shares of any Fund redeemed on any Dealing Day to Shares representing ten per cent of the total Net Asset Value of that Fund on that Dealing Day. In this event, the limitation will apply pro rata so that all Shareholders wishing to have Shares of that Fund redeemed on that Dealing Day realise the same proportion of such Shares. Shares not redeemed, but which would otherwise have been redeemed, will be carried forward for redemption on the next Dealing Day and will be dealt with in priority (on a rateable basis) to redemption requests received subsequently. If requests for redemptions are so carried forward, the Administrator will inform the Shareholders affected.

In Specie Redemption

In the event of a redemption of Shares that the ACD considers substantial in relation to the total size of the Sub-Fund, the Company may transfer Scheme Property to the Shareholder instead of paying the price of the Shares in cash. A deal involving Shares representing 5% or more of the Sub-Fund's value will normally be considered substantial. The ACD will effect this by serving a notice of election on the Shareholder not later than the close of business on the second Business Day following the day of receipt of the request.

Where such a notice is so served on a Shareholder, the Shareholder may serve a further notice on the ACD not later than the close of business on the fourth Business Day following the day of receipt by the Shareholder of the first mentioned notice requiring the ACD, instead of arranging for a transfer of property, to arrange for a sale of that property and the payment to the Shareholder of the net proceeds of that sale.

The selection of Scheme Property to be transferred (or sold) is made by the ACD in consultation with the Depositary, with a view to achieving no more advantage or disadvantage to the Shareholder requesting redemption of his Shares than to continuing Shareholders.

Deferred redemption

If requested redemptions in respect of the Sub-Fund at a valuation point exceed 10% of the Sub-Fund's value, the ACD may defer redemptions to the next valuation point in accordance with the FCA Rules.

Any such deferral would be undertaken in such manner as to ensure consistent treatment of all Shareholders who had sought to redeem Shares at the relevant valuation point at which redemptions were deferred, and so that all deals relating to the earlier valuation point were completed before those relating to a later valuation point were considered.

18 SWITCHING OR CONVERTING SHARES BETWEEN CLASSES AND FUNDS

Subject to the qualifications mentioned below, a Shareholder is entitled to:

- (i) Convert all or some of their Shares of one Class in a Fund for another Class of Shares in the same Fund; or
- (ii) Switch all or some of his Shares for another Class of Shares for which Conversion is not possible.

(a) Conversions

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

Conversions will be effected by the ACD recording the change of Share Class on the Register of the Company.

If a Shareholder wishes to Convert Shares they should apply to the ACD in the same manner as for a sale as set out below.

Conversions may not be effected at the next Valuation Point and may be held over and processed with the Conversion instructions given by other Shareholders.

Conversions will not generally be treated as a disposal for capital gains tax purposes.

(b) Switches

A Switch is the exchange of Shares of one Class in a Fund for a class of Shares of another Fund.

Shareholders are entitled to Switch Shares in one Fund for Shares in a different Fund. The appropriate number of Shares is determined by the following formula:

$$N = \frac{O \times RP}{SP}$$

Where:

N is the number of new Shares to be issued, rounded down to the nearest whole number of Shares;

O is the number of Shares of the old Class to be exchanged,

RP is the price at which one Share of the old Class can be redeemed; and

SP is the price at which one Share of the new Class can be purchased (net of any initial charge), in both cases at the application valuation point (see below).

The ACD may adjust the number of new Shares to be sold to reflect the effect of the dilution adjustment (if applicable) and any other charges payable on the redemption or sale (as applicable) of the Shares concerned.

The right to Switch is subject to the following:

- (i) the ACD and the Depositary are not obliged to give effect to a request for Switch of Shares if the value of the Shares to be exchanged is less than the minimum permitted transaction (see above) or if it would result in the Shareholder holding Shares of any Class of less than the minimum holding for that Class (see above); and
- (ii) the ACD may decline to permit an exchange into a Fund in respect of which there are no Shares in issue, or in any case in which they would be entitled under COLL or the terms of this Prospectus to refuse to give effect to a request by the Shareholder for the redemption of Shares of the old Class or the issue of Shares of the new Class.

No switch will be made during any period when dealing in a Sub-Fund has been suspended.

Switches between Classes in different Funds may be subject to a charge (see "**Switching Charge**" in section 23, below)

In no circumstances will a Shareholder who Switches be given a right by law to withdraw from or cancel the transaction.

It should be noted that a Switch of Shares in a Fund for Shares in any other Fund is treated as a redemption and sale and will, for persons subject to UK taxation, be regarded as a realisation for the purposes of capital gains taxation. This may also be the case for Conversions in certain circumstances.

A Shareholder wishing to Switch Shares should apply in the same way as for a redemption (see above). An exchange to be made pursuant to a request received before the valuation point of the Funds concerned on a day which is a Dealing Day for both Funds (or, if the valuation points on that day differ, before the first to occur) will be effected at prices based on that day's valuation; where a request is received after that time, or on a day which is not a Dealing Day for both Funds, the Switch will be effected at a price based on the valuation made on the next such Dealing Day.

A contract note giving details of the Switch will be sent on or before the Business Day following the relevant Dealing Day.

19 SUSPENSION OF DEALINGS

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, redemption and exchange of the Shares in the Sub-Funds ("**dealing**") where, due to exceptional circumstances, it is in the interests of Shareholders in the Sub-Funds. Suspension of dealing must cease as soon as practicable after the exceptional circumstances leading to the suspension have ceased.

On suspension the ACD or the Depositary (if the Depositary has required the ACD to suspend dealings) shall immediately inform the FCA, stating the reason for the suspension, and as soon as practicable give written confirmation of the suspension and the reasons for it to the FCA.

The ACD and the Depositary shall review the suspension at least every 28 days and shall inform the FCA of the result of the review, and in any event shall only allow the suspension to continue for as long as it is justified having regard to the interests of the Shareholders. In accordance with the applicable rules in the FCA Rules, the ACD will notify Shareholders of the suspension as soon as practicable after suspension commences, and will keep Shareholders appropriately informed about the suspension including, if known, the likely duration.

The ACD will notify Shareholders of the suspension as soon as practicable after suspension commences, drawing Shareholders' particular attention to the exceptional circumstances which resulted in the suspension in a manner that is clear, fair and not misleading, and will inform Shareholders of how to obtain further information regarding the suspension with a view to keeping Shareholders sufficiently informed. The ACD shall publish on its website and/or by other general means sufficient details to keep Shareholders appropriately informed about the suspension including, if known, its likely duration.

The ACD may, however, during the period in which dealing is suspended, agree to deal at prices calculated by reference to the first valuation point after resumption of dealing. The recalculation of the Share price will commence at or about the valuation point on the first Dealing Day following such period of suspension.

20 MANDATORY REDEMPTION OF SHARES

If the ACD reasonably believes that any Shares are owned directly or beneficially in circumstances which:

- (a) constitute a breach of the law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory; or
- (b) may (or may if other Shares are acquired or held in like circumstances) result in the Company incurring any liability to taxation or suffering any other adverse consequence (including a requirement to register under any securities or investment or similar laws or governmental regulation of any country or territory),

it may give notice to the holder of such Shares requiring him or her to transfer them to a person who is qualified or entitled to own them, or to request the redemption of the Shares by the Company.

If the holder does not either transfer the Shares to a qualified person or establish to the ACD's satisfaction that he or she and any person on whose behalf he or she holds the Shares are qualified and entitled to hold and own them, he or she will be deemed on the expiry of a thirty-day period to have requested their redemption.

21 DISTRIBUTION

The annual accounting period for the Company and the Sub-Funds ends on 31 December (the "**accounting reference date**"). The half-yearly accounting period ends on 30 June (the "**interim accounting reference date**").

Allocations and distributions of income will be made on or before 28 February and 31 August in relation to the Sub-Funds, as determined by the ACD in accordance with the Regulations, and is paid to holders of income Shares by way of a distribution and reinvested in the Sub-Fund in respect of holders of accumulation Shares.

Documents Shareholders will receive

Distribution statements will be sent to Shareholders. A payment by bank transfer for the amount of the net distribution will, where applicable, be sent to the registered address and made payable to the order of the Shareholder (or, in the case of joint holders, made payable and sent to the registered address of the first named holder on the register). Where a Shareholder has not provided valid instructions to enable the ACD to make payment by bank transfer, the distribution will be reinvested and additional Shares to the value of the distribution will be allocated to the Shareholder.

All distributions unclaimed for a period of six years after having become due for payment shall be forfeited and shall revert to the Company. The payment of any unclaimed distribution, interest or other sum payable by the Company on or in respect of a Share into a separate account shall not constitute the Company a trustee thereof.

Determination of Distributable Income

Income relating to a Sub-Fund is allocated among classes of Shares linked to that Sub-Fund as it accrues or is received in proportion to the units of entitlement in the property of the Sub-Fund that each class represents of the preceding Business Day.

The income available for distribution or accumulation in relation to a Sub-Fund is determined in accordance with the FCA Rules. Broadly it comprises all sums deemed by the Company, after consultation with the Auditor, to be in the nature of income received or receivable for the account of the Company and attributable to a Sub-Fund in respect of the accounting period concerned, after deducting net charges and expenses paid or payable out of such income and after making such adjustments as the ACD considers appropriate, after consulting the auditors in accordance with the FCA Rules, in relation to taxation and other matters.

The ACD need not comply with the above provisions if the average of the allocations of income to individual Shareholders of a Sub-Fund would be less than £20 or such other amount agreed between the ACD and the Depositary. In that case, such amounts may be carried forward to the next accounting period and will be regarded as received at the start of that period. Otherwise, such sums may be credited to capital as determined by the ACD.

22 INCOME EQUALISATION

The price of a Share of a particular class is based on the value of that class' entitlement in the relevant Sub-Fund including its entitlement to the income of the Sub-Fund since the previous distribution or, in the case of accumulation Shares, deemed distribution. In the case of the first distribution received in respect of a Share, part of the amount, namely the equalisation payment, is a return of capital and is not taxable as income in the hands of the Shareholder. This amount is, however, deducted from the cost of the Share in computing any capital gains. In the case of accumulation Shares, the equalisation payment is reinvested along with taxed income; as a result no adjustment is made to the costs of the Share for capital gains tax purposes.

Equalisation applies only to Shares purchased during the relevant accounting period. It is calculated as the average amount of income included in the issue price of all Shares concerned issued during the period ("**Group 2 shares**"; Shares purchased during a previous period are "**Group 1 shares**"). Equalisation is calculated on a deal by deal basis using an income per Share rate calculated to three decimal places, with the total equalisation on the deal rounded to the nearest penny.

The Company may, at the discretion of the ACD (or its board of directors if other directors are appointed), dispense with income equalisation.

23 THE AUTHORISED CORPORATE DIRECTOR'S CHARGES

Initial Charge

The ACD may impose a charge payable by the Shareholder on the sale of Shares in the Sub-Funds (the "**initial charge**"). This charge is calculated by reference to the issue price of the Shares purchased (before application of any dilution adjustment) and is paid by the Company to the ACD. The current initial charges applicable to Shares of the Sub-Funds are set out in the table below (plus Value Added Tax, if any):

Share Class	Current Initial Charge
Class A Shares	0%
Class D Shares	0%
Class I Shares	0%
Class P Shares	0%
Class X Shares	0%
Class Z Shares	0%

The ACD may waive all or part of the initial charge at any time, at its discretion.

If at any time the current initial charge applicable to Shares of the Sub-Funds is increased, the ACD is required to give not less than 60 days' prior notice in writing to all Shareholders before such increase may take effect. The ACD is also required to revise the Prospectus to reflect the new current rate and the date of its commencement.

Redemption Charge

The ACD does not currently charge on a redemption of Shares.

Switching Charge

The ACD does not currently make any charge on either a switch of Shares linked to another Sub-Fund or on an exchange of Shares in the Company between different classes.

Periodic Charge

A periodic charge is payable to the ACD who is responsible for paying the Investment Manager of the Company. The periodic charge accrues daily and is payable monthly on or as soon as practicable after the last day of the calendar month in which it accrues. The ACD may waive all or part of its periodic charge at any time, at its discretion. The charge will be calculated separately in respect of each class of Shares linked to a Sub-Fund, as a percentage rate per annum of the total value of the units of entitlement in the property of that Sub-Fund represented by the class on each day. All non-business accruals are calculated by reference to the Business Day immediately preceding the relevant non-Business Day in question. This charge is calculated by reference to the value of the relevant Sub-Fund on the last valuation day of the preceding month and is payable out of the property attributable to that Sub-Fund.

The Investment Manager's fee is paid out of the ACD's periodic charge. The periodic charge is exclusive of VAT which shall, if applicable, be payable in addition.

The current charges in respect of each Share class are set out below:

Share Class	Periodic Charge
Class A Shares	1.50%
Class D Shares	0.50%
Class I Shares	0.75%
Class P Shares	0.50%
Class X Shares	1.00%
Class Z Shares	0.00*

*Class Z Shareholders pay a separate periodic management charge outside the Sub-Fund which includes remuneration for the ACD and Investment Manager (rather than a periodic management charge from their investment in the Sub-Fund).

Any increase in the above rates requires not less than 60 days' prior notice in writing to the Shareholders before such increase may take effect. Also, the ACD is required to revise the Prospectus to reflect the new current rate and the date of its commencement.

The first accrual will be in respect of the period from the day on which the first valuation of the relevant Sub-Fund is made to the month end and is based upon the first valuation point. The periodic charge will cease to be payable (in relation to a Sub-Fund) on the date of commencement of its termination, and (in relation to the Company as a whole) on the date of the commencement of its winding up or, if earlier, the date of the termination of the ACD's appointment as such. The amount(s) accruing due on the last relevant valuation date before the event concerned will be adjusted accordingly.

24 ONGOING OPERATIONAL AND ADMINISTRATIVE EXPENSES OF THE COMPANY

Typically, ongoing operating and administrative costs and expenses incurred by the Company may be paid out of the Scheme Property. However, in order to protect Shareholders from fluctuations in these expenses the ACD has agreed to fix the total amount of these expenses in respect of the Sub-Funds. This is referred to as the "fixed rate operating charge".

Fixed rate operating charge

The Fixed Rate Operating Charge will be levied on a tiered basis, with the applicable rates being dependent on the level of each sub-fund's Net Asset Value from time to time. The thresholds applicable to the Fixed Rate Operating Charge in respect of the Classes are as follows:

Share Class	Fixed Rate Operating Charge on sub-fund assets between £0 - £300m (Tier 1)	Fixed rate operating charge on sub-fund assets between £300 - £600m (Tier 2)	Fixed rate operating charge on sub-fund assets over £600m (Tier 3)
Class A Shares	0.23%	0.18%	0.13%
Class D Shares	0.15%	0.15%	0.15%
Class I Shares	0.15%	0.10%	0.05%
Class P Shares	0.23%	0.18%	0.13%
Class X Shares	0.23%	0.23%	0.23%
Class Z Shares	0.18%	0.18%	0.18%

The tiered rates will be applied to each Share Class according to the proportions to which they relate to the Sub-Fund's Net Asset Value.

For example, if the Sub-Fund's Net Asset Value is £1,000m, then 30% of each Share Class Net Asset Value would be subject the Tier 1 Fixed Rate Operating Charge, 30% would be subject the Tier 2 Fixed Rate Operating Charge, and 40% would be subject the Tier 3 Fixed Rate Operating Charge.

The fixed rate operating charge will be calculated and accrued daily and deducted monthly in arrears from the Sub-Fund. In the event the actual costs incurred by the Sub-Fund exceed the level of the fixed rate operating charge applicable to the Sub-Fund, the ACD shall bear any such excess. In the event that the actual operating costs of the Sub-Fund fall below the Sub-Fund's fixed rate operating charge, the ACD shall be entitled to retain any amount by which the fixed rate operating charge exceeds those actual costs.

What is included in the fixed rate operating charge?

24.1 The following costs and expenses (plus VAT where applicable) will be met out of the fixed rate operating charge:

- (a) The fees of the Depositary (whilst it is anticipated that all fees of the Depositary shall be included as part of the fixed rate operating charge, the Depositary retains the right to deduct any amounts owing to it from the Scheme Property);
- (b) the safekeeping fees;
- (c) the fees and expenses incurred in respect of: the preparation of financial statements; calculation of the prices of Shares; preparation of tax returns; and any expenses incurred by the Company in connection with the maintenance of its accounts and other books and records;
- (d) the fees of the FCA under Schedule I, Part III of the Act and any corresponding periodic fees of any regulatory authority in a country or territory outside the United Kingdom in which Shares of the Sub-Fund are, or may be, marketed;

- (e) any costs incurred in respect of meetings of Shareholders and/or directors convened for the purpose of approving any amendments to the Instrument and/or Prospectus;
- (f) any costs incurred in respect of any other meeting of Shareholders including meetings convened on a requisition by holders not including the ACD or an associate of the ACD;
- (g) any fees in relation to a unitisation, amalgamation or reconstruction where the property of a body corporate (such as an investment company) or of another collective investment scheme is transferred to the Company in consideration of the issue of Shares in the Company to Shareholders in that body corporate or to participation in that other scheme, and any liability arising after the transfer which, had it arisen before the transfer, could properly have been paid out of that other property provided that the ACD is of the opinion that proper provision was made for meeting such liabilities as were known or could reasonably have been anticipated at the time of the transfer;
- (h) any audit fee and any proper expenses of the auditor;
- (i) payments or costs in relation to the preparation of Key Investor Information Document (either in respect of the Company or a Sub-Fund) or any successor or equivalent document;
- (j) any costs of printing and distributing the Instrument, Prospectus, annual, half yearly and any other reports and accounts or information provided for Shareholders;
- (k) any costs of listing the prices of the Sub-Funds in publication and information services selected by the ACD;
- (l) insurance which the Company may purchase and/or maintain for the benefit of and against any liability incurred by the directors of the Company in the performance of their duties;
- (m) the fees in connection with listing the Shares in the Company on any stock exchange;
- (n) the fees of the Registrar; and
- (o) electronic dealing and administration fees.

The level of the fixed rate operating charge will be reviewed by the ACD in exceptional circumstances and on an annual basis in any event to ensure that it remains fair to Shareholders. Any increase in the fixed rate operating charge will require prior notice to be given to Shareholders at least 60 days before any such increase may take effect. The Prospectus will also be revised to reflect the new rate.

25 OTHER PAYMENTS OUT OF THE COMPANY

The fees and charges set out in this section shall be payable out of the Scheme Property of the Company and do not fall within the fixed rate operating charge. Expenses not directly attributable to a particular Sub-Fund will be allocated proportionately between all Sub-Funds as described above.

Establishment and authorisation of the Company and sub-funds

Any costs incurred in establishing and authorising the Company, and any sub-funds after the initial establishment of the Company, will not be included in the fixed rate operating charge and shall be met out of the Scheme Property of the relevant sub-fund(s).

Professional advisers' fees

The costs and expenses incurred in respect of any tax, legal and other professional advisers to the Company will not be included in the fixed rate operating charge and will be deducted from the Scheme Property of the Company.

Custody transaction charges

Whilst the Depositary's periodic fee, the charges and expenses arising from the services it provides as Depositary, and the custody charges which are incurred in respect of the safekeeping of the Scheme Property of the Sub-Fund, are included in the fixed rate operating charge as set out in Section 23 above, the custody transaction charges will not be included in the fixed rate operating charge, and will instead be deducted from the Scheme Property of the Company.

The custody transaction charges typically range between £5 up to £135 depending on the market, country and type of transaction involved. Transaction charges accrue at the time transactions are effected and are payable as soon as is reasonably practicable, and in any event no later than the last Business Day of the month when such charges arose, or as otherwise agreed between the Depositary and the ACD.

Any VAT on the charges payable to the Depositary shall be added to such charges and expenses.

Other ongoing operational costs

The following are additional operational costs which may be deducted from the Scheme Property of the Company:

- (a) broker's commissions, fiscal charges and other disbursements which are necessarily incurred in effecting transactions for the Company, including expenses incurred in acquiring or disposing of investments including legal fees and expenses, whether or not the acquisition or disposal is carried out;
- (b) interest on and other charges relating to permitted borrowings including costs incurred in effecting, terminating, negotiating or varying the terms of such borrowings; and
- (c) taxation and duties payable by the Company in respect of the Scheme Property of the Sub-Fund or the issue of Shares in the Sub-Fund.
- (d) the annual operating costs for electronic dealing administration.

Charges to capital

In respect of each Sub-Fund, 100% of fees and expenses will be applied to the capital of that Sub-Fund.

In each case, fees and expenses incurred may erode capital growth of the Sub-Funds.

Allocation of expenses between Sub-Funds

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, but 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. In each such case such expenses and disbursements may 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 FCA Rules by the Depositary.

26 TAXATION

General

Prospective investors who are in any doubt about their tax position, or who may be subject to tax in a country other than the UK, should inform themselves of, and where appropriate take professional advice on the laws and regulations (such as those relating to taxation and exchange controls) applicable to the subscription, holding, redemption and conversion of Shares in the country of their citizenship, residence or domicile.

The information below is not exhaustive and does not constitute legal or tax advice. Prospective investors should consult their own professional advisers as to the implications of their subscribing for, holding, switching or disposing of Shares under the laws of the countries in which they may be subject to tax.

United Kingdom Taxation

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 Company and of investors who are United Kingdom resident and hold Shares as investments and does not constitute tax advice. Prospective investors who are in any doubt about their tax position, or who may be subject to tax in a jurisdiction other than the United Kingdom, are recommended to take professional advice.

The Company

As the Sub-Funds are sub-funds of an open-ended investment company established as an umbrella company to which the Authorised Investment Funds (Tax) Regulations 2006 (SI 2006/964) (as amended from time to time (the “AIF Regulations”)) apply, each Sub-Fund, and not the Company, is deemed to be a separate taxable entity.

The Sub-Funds are generally exempt from United Kingdom tax on capital gains realised on the disposal of investments (including interest-paying securities and derivatives but excluding gains realised on the disposal of certain offshore fund holdings) held within it.

Dividends from United Kingdom and non-United Kingdom companies are generally exempt from tax when received by the Sub-Funds. This is also the case where the dividend income has been received indirectly through another authorised investment fund. Each Fund is subject to corporation tax at 20% on most other types of income but after deducting allowable management expenses and the gross amount of any interest distributions. Where a Sub-Fund suffers foreign tax on income received, this will generally be a cost to the Sub-Fund but may sometimes be deducted from United Kingdom tax due on that income.

Dependent upon the nature of the income arising within individual Sub-Funds, the total amount shown in the distribution accounts of the Company for each Sub-Fund is available for distribution to Shareholders in one of two ways:

- (a) it may be shown as available for distribution as a dividend; or
- (b) it may be shown as available for distribution as yearly interest.

In the case of accumulation Shares, reinvested income is deemed to have been distributed to a Shareholder for the purposes of taxation and a tax voucher will be issued to the Shareholder to provide the appropriate details for their returns.

Individuals

An individual Shareholder resident in the UK for tax purposes is liable to income tax on distributions made by the Company.

Dividend distributions paid to (or accumulated for) individual Shareholders resident in the United Kingdom for tax purposes will be treated in the same way as dividends received from a UK resident company. Dividend distributions are paid with no UK tax deducted.

For individual Shareholders resident in the United Kingdom, the first £2,000 (£5,000 before 5 April 2018) of dividends and dividend distributions received in each tax year are free of income tax (the dividend allowance). Where dividends and dividend distributions (paid or accumulated) from all sources exceed the dividend allowance, the excess will be liable to income tax at dividend tax rates which depend upon the Shareholder's marginal rate of tax. Dividend tax rates are 7.5% for basic rate taxpayers, 32.5% for higher rate taxpayers and 38.1% for additional rate taxpayers. Dividends received within the allowance will still count towards total income and so may still affect the rate of tax paid on all types of income received in excess of the allowance.

Dividends received within the allowance will still count towards total income and so may still affect the rate of tax paid on all types of income received in excess of the allowance.

There is no longer any tax credit attached to dividend distributions.

Interest Distributions

If the investments of a Fund were, throughout any distribution period, to consist of more than 60% by market value in "qualifying investments" (see the definition under the heading "Corporates" below), that Fund may distribute its income as yearly interest (an 'interest distribution').

No tax is deducted from interest distributions.

Individual UK taxpayers are entitled to a personal savings allowance in each tax year. For basic rate taxpayers, the first £1,000 of interest distributions (and interest) are free of tax. For higher rate taxpayers, the allowance is £500, and for additional rate taxpayers the amount is nil. To the extent that any interest distribution falls within this allowance or within an individual's unused personal tax allowance or where taxpayers' total income is such that they fall within the nil starting rate for savings, then there will be no tax liability. Taxpayers with total interest and interest distributions in excess of their personal savings allowances will be liable to pay income tax at their marginal rates (normally 20% for basic rate taxpayers, 40% for higher rate and 45% for additional rate taxpayers) on the excess amount.

Interest distributions and interest received within the allowance will still count towards total income and so may still affect the rate of tax paid on all types of income received in excess of the allowance.

Income equalisation

The first income allocation received by an investor after buying Shares will normally include an amount of income equalisation. This is effectively a repayment of the income equalisation paid by the investor 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.

Capital Gains

On a disposal of Shares in a Sub-Fund individual Shareholders may, depending upon their personal circumstances, have a liability to capital gains tax. Chargeable gains for individuals will be taxed at a rate of 10% to the extent that total income and gains are less than the higher rate income tax threshold and 20% to the extent they exceed it. Each individual has an annual exemption, (£11,700 in tax year 2018/19), such that capital gains tax is chargeable only on net gains arising from all sources during the tax year in excess of this figure.

On a disposal of Accumulation Shares the reinvested amounts (which were taxed as income as they accumulated) may be deducted in calculating the taxable capital gain.

An exchange of Shares in one sub-fund for Shares in any other sub-fund will be treated as a disposal and acquisition for capital gains tax purposes and so may give rise to a liability to taxation. An exception to this is where there is a merger between two Funds and all Shareholders in a Fund are offered shares in a new Fund in exchange for their existing Shares.

UK-resident corporates Shareholders

Corporate Shareholders resident in the UK for tax purposes will be subject to the corporate streaming rules in relation to any dividend distributions received from a Sub-Fund save to the extent that such dividends are treated as a trading receipt or are received by a manager of an authorised investment fund in the ordinary course of business as a manager of the fund. Such dividends are "streamed". Any part representing income which has been subject to corporation tax in the Fund will be received as an annual payment after deduction of income tax at the basic rate, and corporate Shareholders may be liable to tax on the grossed up amount, with the benefit of the deemed 20% income tax deduction or to reclaim part or all deemed tax deducted. The remainder of the distribution (including any part representing dividends received from a company) will be treated as dividend income and no further tax will be due on it. (This includes Shareholders who are, themselves, either an OEIC or authorised unit trust).

If the a Sub-Fund at any point in a corporate Shareholder's accounting period fails to satisfy the non-qualifying investments test described below, the holding is treated as if it were a holding of rights under a creditor loan relationship of the corporate investor in respect of which fair value accounting must be used. Fluctuations in the value of the investments held by the corporate investor in such circumstances, together with any distributions received (which are not treated as dividends), will therefore be taxed or relieved on an annual basis. The non-qualifying investments test requires that not more than 60 per cent of the market value of the investments of the Sub-Fund are held in "qualifying investments". "Qualifying investments" for these purposes consist broadly of interest bearing and economically similar investments. In respect of any period for which a Fund pays an interest distribution the Fund will have failed the non-qualifying investments test during the whole of that period. Chargeable gains will not arise during the period that the holding is treated as a creditor loan relationship. and any chargeable gain accrued before such a period is held over until disposal.

Any chargeable gains arising to UK resident corporate Shareholders on a disposal of their Shares in the Company may be subject to corporation tax.

An exchange of Shares in one sub-fund for Shares in another sub-fund will be treated as a disposal of the Shares in the first sub-fund and a separate acquisition of Shares in the second sub-fund. Any gain arising on a disposal of Shares in a sub-fund will be subject to corporation tax. The exception from tax on chargeable gains described above under the heading "**Individuals**" where two sub-funds merge also applies to corporate Shareholders.

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 EU directives and US FATCA), the Company (or its agent) will collect and report information about Shareholders and their investments where required for this purpose, including information to verify their identity and tax status.

If requested to do so by the Company or its agent, Shareholders must provide information to be passed on to HM Revenue & Customs (and by them to any relevant overseas tax authorities).

As Shareholders are aware, the tax consequences of any investment can vary considerably from one jurisdiction to another, and will ultimately depend on the tax regime of the jurisdictions within which a person is tax resident as well as the jurisdiction that is the source of income from the investment. **Therefore the ACD strongly recommends that Shareholders obtain tax advice from an appropriate source in relation to the tax liability arising from the holding of Shares in the Company and any investment returns from those Shares.**

Individual Savings Accounts ("ISAs")

It is intended that the Sub-Funds will be managed so that the Shares attributable to the Sub-Funds will be eligible for inclusion within a stocks and shares component of an ISA.

27 REPORTS AND ACCOUNTS

The annual accounting period of the Company ends on 31 December. The interim accounting period ends on 30 June.

The ACD will, within four months after the end of each annual accounting period and within two months after the end of each half-yearly accounting period respectively, provide free of charge the short report in accordance with the FCA Rules, by sending a copy of the report to each Shareholder (or to the first named of joint Shareholders) entered in or entitled to be entered in the register at the close of business on the last day of the relevant accounting period.

The ACD will make the long report available to Shareholders on request. Copies of the latest report and accounts may be requested from the office of the ACD at the principal place of business address given in this Prospectus. Long reports will be available within four months after the end of each annual accounting period and within two months after the end of each half-yearly accounting period respectively.

28 ANNUAL GENERAL MEETINGS

In accordance with section 37A of the OEIC Regulations, the Company has elected to dispense with the holding of an annual general meeting, and will hold extraordinary general meetings as and when required.

29 VOTING

The convening and conduct of Shareholders' meetings and the voting rights of Shareholders at those meetings are governed by the Company's Instrument and the FCA Rules, and are summarised below.

Notice and Quorum

Entitlement to receive notice of a particular meeting or adjourned meeting and to vote at such a meeting is determined by reference to those persons who are holders of Shares in the Company on the date seven days before the notice is sent ("**the cut-off date**"), but excluding any persons who are known not to be holders at the date of the meeting or other relevant date.

The quorum at a meeting of holders is two Shareholders present in person or by proxy or (in the case of a corporation) by a duly authorised representative. If a quorum is not present within 15 minutes of the time appointed, the meeting will (if requisitioned by Shareholders) be dissolved and in any other case will be adjourned. If at such adjourned meeting a quorum is not present within 15 minutes from the appointed time, one person entitled to count in a quorum will be a quorum.

Voting Rights

At a meeting of Shareholders, on a show of hands every holder who (being an individual) is present in person or by proxy or, if a corporation, is present by a properly authorised representative, has one vote. On a poll votes may be given either personally or by proxy and the voting rights attached to a Share are such proportion of the total voting rights attached to all Shares in issue as the price of the Share bears to the aggregate price of Shares in issue on the cut-off date. A holder entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way. A vote will be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by the chairman, by the Depositary or by two Shareholders present or by proxy.

An instrument appointing a proxy may be in any usual or common form or in any other form approved by the ACD. It should be in writing under the hand of the appointor or his attorney or, if the appointor is a corporation, either under the common seal, executed as a deed or under the hand of a duly authorised officer or attorney. A person appointed to act as a proxy need not be a holder.

A corporation, being a holder, may by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of holders and the person so authorised is entitled to exercise the same powers on behalf of the corporation which he represents as the corporation could exercise if it were an individual holder.

In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority is determined by the order in which the names stand in the register of holders.

The ACD is entitled to attend any meeting but, except in relation to third party shares, is not entitled to vote or be counted in the quorum and any Shares it holds are treated as not being in issue for the purpose of such meeting. An associate of the ACD is entitled to attend any meeting and may be counted in the quorum, but may not vote except in relation to third party shares. For this purpose third party shares are Shares held on behalf of or jointly with a person who, if himself the registered Shareholder, would be entitled to vote, and from whom the ACD or the associate (as relevant) has received voting instructions.

Powers of a Shareholders' Meeting

The ACD must, by way of an extraordinary resolution, (i.e. a resolution notified and proposed as such and passed by a majority of not less than three-quarters of the votes validly cast), obtain prior approval from the Shareholders (or, where applicable, class of Shareholders) for any proposed change to the Company or a Sub-Fund which, in accordance with the FCA Rules, is a fundamental change. Such a fundamental change may include:

- certain changes to the investment objective and policy of a Sub-Fund;
- the removal of the ACD; or

- any proposal for a scheme or arrangement.

Other provisions of the Company's Instrument and the Prospectus may be changed by the ACD without the sanction of a Shareholders' meeting in accordance with the FCA Rules.

30 INVESTMENT AND BORROWING POWERS

The Company may exercise, in respect of the Sub-Funds, the full authority and powers permitted by the FCA Rules applicable to a UCITS retail scheme and the applicable investment limits and restrictions set out in the FCA Rules, the Company's Instrument, this Prospectus and the Sub-Funds' investment objectives and policies.

The investment and borrowing powers of the Sub-Funds are set out in Appendix 4. A list of the eligible securities and derivative markets is set out in Appendix 1 and 2, respectively.

31 DISCLOSURE OF DEALING ARRANGEMENTS

The Investment Manager may from time to time make arrangements with other persons under which those persons arrange for the provision to them of investment related services or other benefits the receipt of which is intended to assist them in the provision of investment management services and be of benefit to the Sub-Funds. The Investment Manager does not always make direct payment for such services but instead may place business with those or other persons. The relevant Sub-Fund will pay brokerage at rates not in excess of customary institutional full service brokerage rates and all transactions effected for the Sub-Fund will be such as to secure for them best execution, disregarding any benefit which might accrue directly or indirectly to the Sub-Fund from the services or benefits provided under such arrangements. No cash rebates will be retained by the Investment Manager.

32 TRANSFER OF SHARES

A Shareholder is entitled (subject as mentioned below) to transfer Shares by an instrument of transfer in any usual or common form or in any other form approved by the ACD. The ACD is not obliged to accept a transfer if it would result in the holder, or the transferee, holding less than the minimum holding of Shares of the class in question. Additionally the ACD is not obliged to accept a transfer of Class D, Class X, or Class Z Shares, if such transfer would result in a person who is not a client or who does not otherwise have an investment management agreement with the Investment Manager holding this class.

The instrument of transfer, duly stamped if it is required to be stamped, must be lodged with the Registrar for registration. The transferor remains the holder until the name of the transferee has been entered in the register.

The Company or the Registrar may require the payment of such reasonable fee as the ACD and the Company may agree for the registration of any grant of probate, letters of administration or any other documents relating to or affecting the title to any Share.

Each Shareholder acknowledges that the Company, the Sub-Funds, the ACD, the Directors, the Investment Manager, the Depositary, the Custodian and the Administrator shall be held harmless against any loss howsoever caused arising as a result of a failure to process such Shareholder's request to transfer Shares if all necessary documents and information required by the Administrator to verify the identity of the transferee has not been provided on a timely basis.

33 WINDING UP OF THE COMPANY AND TERMINATION OF SUB-FUND

The Company may be wound up under Chapter 7.3 of COLL or as an unregistered company under Part V of the Insolvency Act 1986. A Sub-Fund may be terminated under Chapter 7.3 of COLL

or wound up under Part V of the Insolvency Act 1986 (as modified by the OEIC Regulations) as an unregistered company. Winding up of the Company or termination or winding up of a Sub-Fund under COLL is only permitted with the approval of the FCA and if a statement has been lodged with the FCA by the ACD confirming that the Company or the relevant Sub-Fund will be able to meet all its liabilities within twelve months of the date of the statement (a "**solvency statement**").

Subject to the foregoing, the Company or a Sub-Fund will be wound up or terminated (as appropriate) under COLL:

- (a) if an extraordinary resolution of Shareholders of either the Company or a Sub-Fund (as appropriate) to that effect is passed; or
- (b) when the period (if any) fixed for the duration of the Company or a particular Sub-Fund by the Instrument expires, or any event occurs on the occurrence of which the Instrument provides that the Company is to be wound up or a particular Sub-Fund terminated (for example, The ACD may request that a Sub-Fund be terminated in certain situations such as if, at any time after the first anniversary of the issue of the first Shares linked to that Sub-Fund the net value of the assets of the Company attributable to the Sub-Fund is less than £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
- (c) on the date stated in any agreement by the FCA in response to a request from the ACD for the winding up of the Company or a request for the termination of a Sub-Fund; or
- (d) on the effective date of a duly approved scheme of arrangement which is to result in the Company ceasing to hold any Scheme Property; or
- (e) in the case of a Sub-Fund, on the effective date of a duly approved scheme of arrangement which is to result in the Sub-Fund ceasing to hold any Scheme Property; or
- (f) on the date when all the Sub-Funds fall within (e) or have otherwise ceased to hold any Scheme Property, notwithstanding that the Company may have assets and liabilities that are not attributable to any particular Sub-Fund.

The winding up of the Company or termination of a Sub-Fund under COLL is carried out by the ACD which will, as soon as practicable, cause the property of the Company or that property attributable to the Sub-Fund to be realised and the liabilities to be met out of the proceeds. Provided that there are sufficient liquid funds available after making provision for the expenses of winding up and the discharge of the liabilities of the Company or the relevant Sub-Fund (as the case may be) the ACD may arrange for interim distribution(s) to be made to Shareholders. When all liabilities have been met, the balance (net of a provision for any further expenses) will be distributed to Shareholders. The distribution made in respect of the relevant Sub-Fund will be made to the holders of Shares linked to the Sub-Fund, in proportion to the units of entitlement in the property of the Sub-Fund which their Shares represent.

Shareholders will be notified of any proposal to wind up the Company or terminate any of the Sub-Funds. On commencement of such winding up or termination, the Company will cease to issue and cancel Shares and transfers of such Shares shall cease to be registered.

On completion of the winding up, the Company will be dissolved and any money (including unclaimed distributions) standing to the account of the Company will be paid into court within one month of dissolution.

As the Company is an umbrella company with segregated liability, any liabilities attributable or allocated to a particular Sub-Fund under the FCA Rules will be met only out of the Scheme Property attributable or allocated to that particular Sub-Fund.

34 SHAREHOLDERS' RIGHTS

Shareholders are entitled to participate in the Company on the basis set out in this Prospectus (as amended from time to time). The Paragraphs entitled "**Complaints**", "**Cancellation rights**", "**Personal Data**", "**Voting**", "**Reports and Accounts**" and "**Documents and Information Available**" in this section 34, set out important rights about Shareholders' participation in the Company.

Shareholders may have no direct rights against the Service Providers.

Shareholders may be able to take action if the contents of this document are inaccurate or incomplete.

Shareholders have statutory and other legal rights which include the right to complain and may include the right to cancel an order or seek compensation.

Shareholders who are concerned about their rights in respect of the Company (or any Sub-Fund) should seek legal advice.

Complaints

Any complaint should be referred to the ACD at its registered office. If a complaint cannot be resolved satisfactorily with the ACD it may be referred to the Financial Ombudsman Service, Exchange Tower, London E14 9SR. More details about the Financial Ombudsman Service are available from the ACD.

The Financial Services Compensation Scheme Limited has been established under the rules of the FCA as a "rescue fund" for certain clients of firms authorised and regulated by the FCA which have gone out of business. The ACD will supply Shareholders with further details of the scheme on written request to its operating address. Alternatively, Shareholders can visit the scheme's website at www.fscs.org.uk or by writing to the Financial Services Compensation Scheme, PO Box 300, Mitcheldean, GL17 1DY.

Cancellation rights

A notice of an applicant's right to cancel the agreement to purchase Shares will be forwarded, where this is required by rules made under the Act.

When the investment is a lump sum investment (or the first payment, being larger than the second payment, in a regular payment savings plan) an applicant who is entitled to cancel and does so will not get a full refund of the money paid by him if the purchase price of the Shares falls before the cancellation notice is received by the ACD, because an amount equal to such fall (the "**shortfall**") will be deducted from the refund he would otherwise receive. Where the purchase price has not yet been paid the applicant will be required to pay the amount of the shortfall to the ACD. The deduction does not apply where the service of the notice of the right to cancel precedes the entering into of the agreement. Cancellation rights must be exercised by posting a cancellation notice to the ACD on or before the 14th day after the date of receipt of the notice of the right to cancel.

35 OTHER INFORMATION

Delegation

The ACD and the Depositary, subject to exceptions specified in COLL, may retain (or arrange for the Company to retain) the services of other persons to assist them in the performance of their respective functions and, in relation to certain functions, the ACD or the Depositary (as applicable) will not be liable for the actions of the persons so appointed provided certain provisions of COLL apply.

Conflicts of Interest

The ACD and Depositary have conflicts of interest policies to enable them to identify, manage and monitor potential conflicts of interest.

The Depositary, or any associate of the Depositary or of the Investment Manager, may (subject to COLL) hold money on deposit from, lend money to, or engage in stock lending transactions in relation to the Company, so long as the services concerned are provided on arm's length terms.

The Depositary may act from time to time as the depositary or trustee of other companies or funds.

The Depositary, the ACD, the Investment Manager or any associate of any of them may sell or deal in the sale of property to the Company or purchase property from the Company provided the applicable provisions of COLL apply and are observed.

Subject to compliance with COLL the ACD may be party to or interested in any contract, arrangement or transaction to which the Company is a party or in which it is interested. The ACD is entitled in its own discretion to determine the terms of its appointment as such, and consequently to amend the terms of the service agreement referred to under section 5, "**The Authorised Corporate Director**" above.

The ACD may delegate some of its responsibilities in relation to the Sub-Funds to other companies within its corporate group. The ACD presently delegates investment management to its sole shareholder, the Investment Manager. To alleviate any conflict of interest which may arise, contracts between the ACD and Investment Manager are prepared on an arm's length basis.

Neither the Service Providers, their associates nor any other person involved with the establishment and/or operation of the Company are liable to account to each other or to the shareholders or former shareholders of the Company for any profits or benefits they may make or receive which are made, derived from or in connection with:

- (a) their acting as agent for the Company in the sale or purchase of property to or from the Sub-Fund;
- (b) their part in any transaction or the supply of services permitted by the FCA Rules;
- (c) their dealing in property equivalent to any owned by (or dealt in for the account of) the Company;
- (d) dealings in the shares of the Company;
- (e) any transaction in the underlying property of the Company; or
- (f) the supply of services to the Company.

Rebate of Fees and Commission

The ACD may at its sole discretion rebate its initial or periodic charges in respect of any application for, or holding of, Shares in cases where it is permissible to do so in accordance with any applicable laws including the ACD and Regulations. Similarly the Company may rebate or waive its charges in relation to any exchange of Shares.

A proportion of the initial charge may be rebated to the introducer (the Shareholder's financial intermediary) in the form of a commission payment in cases where it is permissible to do so in accordance with any applicable laws including the Regulations. The Shareholder should check with the intermediary the amount of commission he or she has received.

Policy on benefits from third parties

When executing orders, or placing orders with other entities for execution, that relate to financial instruments for, or on behalf of, the Funds, the Investment Manager will not accept and retain any fees, commissions or monetary benefits; or accept any non-monetary benefits, where these are paid or provided by any third party or a person acting on behalf of a third party. The Investment Manager will return to each relevant Fund as soon as reasonably possible after receipt any fees, commissions or any monetary benefits paid or provided by any third party or a person acting on behalf of a third party in relation to the services provided to that fund, and disclose in the annual report the fees, commissions or any monetary benefits transferred to them.

The Investment Manager may, however, accept without disclosure minor non-monetary benefits that are capable of enhancing the quality of service provided to the relevant Fund; and of a scale and nature such that they could not be judged to impair their compliance with its duty to act honestly, fairly and professionally in the best interests of each Fund.

Changes to the Company, Sub-Fund or a share class

Where any changes are proposed to be made to the Company, the Sub-Fund or a Share Class, the ACD will assess whether the change is fundamental, significant or notifiable in accordance with COLL 4.3. Some changes will not be fundamental, significant or notifiable, but those which do fall within these definitions will be submitted to the FCA for approval. If the change is regarded as fundamental, approval will be required from the relevant Shareholders. If the change is regarded as significant, 60 days' prior written notice will be given to the affected Shareholders. If the change is regarded as notifiable, Shareholders will receive suitable pre or post event notice of the change. Changes to the Sub-Fund's investment objective or policy will usually be significant or fundamental.

36 GENERAL

Contact details

The address for service on the Company of notices or other documents required or authorised to be served on it is Juxon House, 100 St. Paul's Churchyard, London EC4M 8BU. All documents and remittances are sent at the risk of the Shareholder.

All notices or documents required to be served on Shareholders shall be served by post to the address of such Shareholder as evidenced on the register.

Market Timing

Subscriptions and redemptions should be made for investment purposes only. The ACD does not permit the Company to be used for the purposes of 'market timing' or any other excessive trading practice which may disrupt portfolio management strategies and harm fund performance. For this purpose market timing is defined as a trading strategy with the intention of taking advantage of short term changes in market prices.

Although there will be no assurance that such practices will be identified or prevented, the ACD will undertake monitoring activities to ensure that market timing and other excessive trading practices are not taking place in relation to the Company, and may reject any subscription or redemption requests from any Applicant and/or Shareholder who is engaging in excess or short

term trading practices. Neither the Company, nor the ACD will be held liable for any loss resulting from rejected orders.

Documents and information available

Copies of the following documents are available for all purchasers of Shares on request, free of charge from the ACD at Juxon House, 100 St. Paul's Churchyard, London EC4M 8BU:

- (a) Latest version of the Prospectus and Key Investor Information Document;
- (b) Latest version of the Instrument which constitutes the Company and the Sub-Funds;
- (c) Latest annual and half-yearly long reports applying to the Sub-Funds; and
- (d) The ACD Agreement.

The above documents are also available for inspection on any Business Day during normal business hours at the offices of the ACD.

Overseas transfers

The ACD may transfer personal information relating to an Applicant and/or Shareholder to countries located outside of the European Economic Area (the EEA).

This may happen when the ACD's servers, suppliers and / or service providers are based outside of the EEA. The data protection laws and other laws of these countries may not be as comprehensive as those that apply within the EEA. In these instances the ACD will take steps to ensure that an Applicant's/Shareholder's privacy rights are respected. Details relevant to an Applicant/Shareholder may be provided upon the request of that Applicant/Shareholder.

Your Personal Information

The ACD's privacy notice details the collection, use and sharing of Shareholders' personal information in connection with their investment in the Funds. The privacy notice can be found on the ACD's website at www.sarasinandpartners.com

This notice may be updated from time to time and Shareholders should confirm that they hold the latest version. Shareholders who access the Funds through an intermediary such as a wealth manager, platform service or ISA Manager, should also contact that organisation for information about its treatment of their personal information.

Any Shareholder who provides the ACD and its agents with personal information about another individual (such as a joint investor) must also show the privacy notice to those individuals.

Shareholders' Rights

Procedures, arrangements and policies have been put in place by the ACD to ensure compliance with the principles of fair treatment of investors. The principles of treating investors fairly include, but are not limited to:

- acting in the best interest of the Sub-Funds and of the investors;
- executing the investment decisions taken for the account of the Sub-Funds in accordance with the objectives, the investment policy and the risk profile of the Sub-Funds;
- ensuring that the interests of any group of investors are not placed above the interests of any other group of investors;

- ensuring that fair, correct and transparent pricing models and valuation systems are used for the Sub-Funds managed;
- preventing undue costs being charged to the Sub-Funds and investors;
- taking all reasonable steps to avoid conflicts of interests and, when they cannot be avoided, identifying, managing, monitoring and, where applicable, disclosing those conflicts of interest to prevent them from adversely affecting the interests of investors; and
- recognising and dealing with complaints fairly.

Fair treatment of investors

Please note that distributors of the shares of the Sub-Fund, including platforms, may receive information regarding changes to the fund prior to other investors.

The ACD waives the initial investment minima and/or initial charges for its employees and certain companies within the ACD's group.

The ACD rebates some of its annual management charge to investors who invest substantial amounts across the ACD's range of funds.

Electronic Verification

The Money Laundering Regulations 2007, The Proceeds of Crime Act 2002, the FCA Senior Management Arrangements Systems & Controls Source book and Joint Money Laundering Steering Group guidance notes (which are updated from time to time) state that the ACD must check the identity of an Applicant/Shareholder and the source of the money invested. As appropriate the ACD may write to request verification documents from investors and other associated parties. In some cases, documentation may be required for officers performing duties on behalf of bodies corporate. The ACD may seek to verify the identity of individuals electronically through the use of credit reference agencies, which may keep a record of this information. However this is only to verify the identity of the individual and will not adversely affect any credit record. If an Applicant fills in the application form the Applicant is giving the ACD permission to ask for this information in line with the General Data Protection Regulation (Regulation (EU) 2016/679 of the European Parliament and the Council of 27 April 2016) and any consequential national data protection legislation.. If an Applicant/Shareholder invests through a financial adviser an identity verification certificate must be completed on the Applicant's/Shareholder's behalf and sent to the ACD with the application.

Client Money

Any money which is received by the ACD prior to investment in a Sub-Fund or following redemption of Shares will be held in accordance with the FCA's client money rules in a client money account. The ACD will deposit the cash in the UK with a banking institution authorised and regulated by the Prudential Regulation Authority. The bank will hold the cash on the ACD's behalf in an account separate from any money they hold for the ACD in its own right. If the bank becomes insolvent the ACD will have a claim on behalf of its clients against the bank. If, however, the bank cannot pay all of its creditors, any shortfall may have to be shared pro-rata between them. In such circumstances it may be possible to claim under the UK deposit protection scheme. This scheme covers the first £85,000 of each customer's claim against a bank or building society.

Interest

No interest is payable by the ACD on monies credited to a client money bank account.

Unclaimed Cash or Assets

Any cash (except unclaimed distributions which will be returned to the Company) or assets due to Shareholders which are unclaimed for a period of six years (for cash) or twelve years (for assets) will cease to be client money or client assets and may be paid to a registered charity of the ACD's choice. The ACD will take reasonable steps to contact Shareholders regarding unclaimed cash or assets in accordance with the requirements set out in the FCA Rules before it makes any such payment to charity. Payment of any unclaimed balance to charity will not prevent Shareholders from claiming the money or assets in the future.

If the client money or client assets (except for unclaimed distributions) are equal to or below a de minimis amount set by the FCA (£25 or less for retail Shareholders and £100 or less for professional Shareholders) the steps the ACD must take to trace the relevant Shareholders before paying the money or assets to charity are less but the ACD will still make efforts to contact you.

Client Money on Transfer of Business

Whilst the ACD has no intention of doing so, if in the future, the ACD transfers its business to another authorised corporate director, manager or third party it may transfer any client money it holds at that time to that other authorised corporate director, manager or third party without obtaining Shareholders' specific consent at that time provided the ACD complies with its duties under the client money rules which are set out in the Regulations at the time of the transfer.

Best Execution

The ACD must act in the best interests of each Fund when executing decisions to deal on behalf of the relevant Fund. The Best and Timely Execution Policy sets out (i) the systems and controls that have been put in place and (ii) the basis upon which the ACD will effect transactions and place orders in relation to the Company whilst complying with its obligations under the handbook of rules issued by the FCA to obtain the best possible outcome for each transaction undertaken on behalf of the Company. Details of the Best and Timely Execution Policy are available from the ACD on request. If you have any questions regarding the policy please contact the ACD or your professional adviser.

Recording of telephone conversations/electronic communications

Please note that the ACD may record telephone calls for training and monitoring purposes and to confirm investors' instructions. Recordings will be provided on request for a period of at least five years from the date of such recording, or, where requested by a competent regulatory authority, for a period of seven years, where we can identify the call coming from you. If you ask us to send you a recording of a particular call, we may ask for further information to help us identify the exact call to which your request relates

Benchmark Regulation

Unless otherwise disclosed in this Prospectus, the indices or benchmarks utilised by the Company and the Funds are, as at the date of this Prospectus, provided by benchmark administrators who are making use of the transitional arrangements afforded under Regulation (EU) 2016/1011 (the "Benchmark Regulation") and accordingly do not appear on the register of administrators and benchmarks maintained by ESMA pursuant to Article 36 of the Benchmark Regulation. Updated information on this register will be available no later than 1 January 2020. The ACD maintains a written plan setting out the actions that will be taken in the event of the benchmark materially changing or ceasing to be provided.

Eligible Securities Markets

Set out below are the securities markets through which the Company may invest or deal in approved securities on account of the Sub-Funds (subject to the investment objective and policy of the relevant Sub-Fund).

- (a) a "regulated market" as defined in COLL;
- (b) a securities market established in any EEA State (which as at the date of this Prospectus includes the UK, Austria, Belgium, Bulgaria, Czech Republic, Estonia, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Spain, Sweden and Slovenia) which is regulated, operates regularly and is open to the public; or
- (c) the principal or only market established under the rules of any of the following investment exchanges:

Country	Market
Australia	The Australian Securities Exchange Limited
Brazil	BM&F BOVESPA SA.
Canada	Toronto Stock Exchange Group
Colombia	Bolsa de Valores de Colombia
Hong Kong	Hong Kong Exchange
India	National Stock Exchange of India
Indonesia	The Indonesian Stock Exchange
Japan	Japan Exchange Group The Nagoya Stock Exchange
Republic of Korea	The Korea Exchange
Malaysia	Bursa Malaysia
Mexico	The Mexican Stock Exchange
New Zealand	The New Zealand Stock Exchange (NZX)
Peru	Lima Stock Exchange
Qatar	Qatar Stock Exchange
Russia	Moscow Exchange
Singapore	Singapore Exchange
South Africa	JSE Securities Exchange
Switzerland	SIX Swiss Exchange AG
Taiwan	The Taiwan Stock Exchange Taipei Exchange
Thailand	Stock Exchange of Thailand
Turkey	Borsa Istanbul

United Arab Emirates	Dubai Financial Market (DFM), NDL (Nasdaq Dubai Limited) formerly known as DIFX (Dubai International Financial Exchange)
United States	NYSE MKT The New York Stock Exchange The NYSE Arca Exchange NASDAQ OMX PHLX The NASDAQ Nasdaq BX The National Stock Exchange The Chicago Stock Exchange
Others	The International Securities Market Association

A securities market is also an eligible securities market if it is:

- (a) the Alternative Investment Market (AIM) of the International Stock Exchange of the UK and the Republic of Ireland Limited;
- (b) virt-x;
- (c) the market in transferable securities issued by or on behalf of the Government of the USA conducted through those persons for the time being recognised and supervised by the Federal Reserve Bank of New York and known as primary dealers.

Eligible Derivatives Markets

Set out below are the derivatives markets through which the company may invest or deal in derivatives on account of the funds (subject to the investment objective and policy of the relevant fund).

(a) a “regulated market” as defined in COLL;

(b) a securities market established in any EEA State (which as at the date of this Prospectus includes the UK, Austria, Belgium, Bulgaria, Czech Republic, Estonia, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Spain, Sweden and Slovenia) which is regulated, operates regularly and is open to the public; or

(c) The below listed derivatives markets:

Country	Market
Austria	Vienna Stock Exchange
Australia	The Australian Securities Exchange Limited
Belgium	Euronext Brussels
Canada	The Montreal Exchange
Colombia	Bolsa de Valores de Colombia
Denmark	NASDAQ OMX Copenhagen AS
Europe	EUREX
Finland	NASDAQ OMX Helsinki
France	Euronext Paris
Hong Kong	Hong Kong Exchange
India	National Stock Exchange of India
Ireland	Irish Stock Exchange
Italy	Futures Market for Government Securities (MIF)
Japan	Tokyo Stock Exchange Tokyo Financial Exchange Osaka Securities Exchange
Malaysia	Bursa Malaysia
Netherlands	Euronext Amsterdam
New Zealand	New Zealand Futures and Options Exchange
Peru	Lima Stock Exchange
Singapore	Singapore Exchange
South Africa	JSE Securities Exchange The South African Futures Exchange (SAFEX)
Spain	BME, Spanish Exchanges

Sweden	NASDAQ OMX Stockholm AB
UK	Euronext, LIFFE OMLX
USA	Chicago Board of Options Exchange (CBOE) CME Group Inc New York Futures Exchange New York Mercantile Exchange (NYMEX) Kansas City Board of Trade NYSE Arca NASDAQ OMX PHLX NASDAQ OMX Futures Exchange
Others	The International Securities Exchange (ISE)

Historical Performance

Fund Performance – Pounds Sterling Performance (%)

Fund/Comparative Indices	2017	2016	2015	2014	2013
Sarasin Fund of Funds – Global Equity	12.13	14.91	0.63	6.35	24.11
Sarasin Fund of Funds - Global Diversified Growth	8.00	12.23	-1.75	-	-

NOTE: The Company was operated as a Non-UCITS Retail Scheme until 1 October 2015, and therefore the performance history for the years 2015 and prior reflects performance at times when the Company’s investment powers were broader than they currently are.

Source: Sarasin & Lipper. NAV income net of basic rate tax in GBP.

Past performance does not guarantee future returns. The value of investments and the income from them can go down as well as up and you may not get back the amount originally invested.

Appendix 4

Investment and borrowing powers

1 GENERAL

The Scheme Property of each Sub-Fund will be invested with the aim of achieving the investment objective of that Sub-Fund but subject to the limits set out in the investment policy, this Prospectus and the limits set out in Chapter 5 of the COLL Sourcebook (“COLL 5”) that are applicable to UCITS schemes.

1.1 Prudent spread of risk

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

1.2 Cover

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

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

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.

1.3 UCITS Schemes - General

1.4 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:

1.4.1 transferable securities;

1.4.2 approved money market instruments;

1.4.3 permitted units or shares in permitted collective investment schemes;

1.4.4 permitted derivatives and forward transactions; and

1.4.5 permitted deposits.

1.5 Transferable securities and money market instruments held within a Sub-Fund must (subject to paragraph 1.6 of this Appendix) be:

- 1.5.1 admitted to or dealt on an eligible market as described below; or
 - 1.5.2 dealt in on a market in an EEA State which is regulated, operates regularly and is open to the public; or
 - 1.5.3 admitted to or dealt in on an eligible market which has been designated an eligible market by the ACD in consultation with the Depositary (as described below); or
 - 1.5.4 a money-market instrument within COLL 5.2.10 AR(1) (is as described in paragraph 9.5 of “Investment in approved money market instruments” below); or
 - 1.5.5 recently issued transferable securities provided that:
 - 1.5.5.1 the terms of issue include an undertaking that application will be made to be admitted to an eligible market; and
 - 1.5.5.2 the admission is secured within a year of issue.
- 1.6 Not more than 10% in value of the Scheme Property of a Sub-Fund may consist of transferable securities, which do not fall within paragraph 1.5 or of approved money market instruments, which do not fall within COLL 5.2.10 AR(1) (i.e. as described in paragraph 9.5 below).
- 1.7 The requirements on spread of investments generally and in relation to investment in government and public securities do not apply during any period in which it is not reasonably practical to comply, provided that the requirement to maintain prudent spread of risk in paragraph 1.1 of this Appendix is complied with.
- 2. Transferable Securities**
- 2.1 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.
- 2.2 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.
- 2.3 In applying paragraph 17 of this Prospectus in relation to the redemption of shares, to an investment which is issued by a body corporate, and which is an investment falling within article 76 (shares, etc) or article 77 (instruments creating or acknowledging indebtedness) or article 77A (alternative debentures) 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.
- 2.4 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.
- 2.5 A Sub-Fund may invest in a transferable security only to the extent that the transferable security fulfils the following criteria:

- 2.5.1 the potential loss which the Sub-Fund may incur with respect to holding the transferable security is limited to the amount paid for it;
 - 2.5.2 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 COLL Sourcebook;
 - 2.5.3 reliable valuation is available for it as follows:
 - 2.5.3.1 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;
 - 2.5.3.2 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;
 - 2.5.4 appropriate information is available for it as follows:
 - 2.5.4.1 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;
 - 2.5.4.2 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;
 - 2.5.5 it is negotiable; and
 - 2.5.6 its risks are adequately captured by the risk management process of the ACD.
- 2.6 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 will be presumed:
- 2.6.1 not to compromise the ability of the ACD to comply with its obligation to redeem Shares at the request of any qualifying Shareholder; and
 - 2.6.2 to be negotiable.
- 2.7 No more than 5% of the Scheme Property of a Sub-Fund may be invested in warrants.
- 2.8 A unit or share in a closed end fund will 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 2.5 above and either:
- 2.8.1 where the closed end fund is constituted as an investment company or a unit trust:

- 2.8.1.1 it is subject to corporate governance mechanisms applied to companies; and
- 2.8.1.2 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
- 2.8.2 where the closed end fund is constituted under the law of contract:
 - 2.8.2.1 it is subject to corporate governance mechanisms equivalent to those applied to companies; and
 - 2.8.2.2 it is managed by a person who is subject to national regulation for the purpose of investor protection.
- 2.9 A Sub-Fund may invest in any other investment which will be taken to be a transferable security for the purposes of investment by a Sub-Fund provided the investment:
 - 2.9.1 fulfils the criteria for transferable securities set out in 2.5 above; and
 - 2.9.2 is backed by or linked to the performance of other assets, which may differ from those in which a Sub-Fund can invest.
- 2.10 Where an investment in 2.9 above contains an embedded derivative component, the requirements of this Section with respect to derivatives and forwards will apply to that component.
- 3. **Eligible markets regime: purpose**
 - 3.1 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.
 - 3.2 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 a breach beyond the control of the ACD.
 - 3.3 A market is eligible for the purposes of the rules if it is:
 - 3.3.1 a regulated market as defined in the FCA Handbook; or
 - 3.3.2 a market in an EEA State which is regulated, operates regularly and is open to the public.
 - 3.4 A market not falling within paragraph 3.3 of this Appendix is eligible for the purposes of COLL 5 if:
 - 3.4.1 the ACD, after consultation and notification with the Depositary, decides that market is appropriate for investment of, or dealing in, the Scheme Property of a Sub-Fund;
 - 3.4.2 the market is included in a list in the Prospectus; and

3.4.3 the Depositary has taken reasonable care to determine that:

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

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

3.5 In paragraph 3.4.1, a market must not be considered appropriate unless it is regulated, operates regularly, is recognised as a market or exchange or self regulating organisation by an overseas regulator, is open to the public, is adequately liquid and has adequate arrangements for unimpeded transmission of income and capital to or for the order of investors.

4. **Spread: general**

4.1 This rule on spread does not apply to government and public securities.

4.2 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.

4.3 Not more than 20% in the value of the Scheme Property of a Sub-Fund is to consist of deposits with a single body.

4.4 Not more than 5% in value of the Scheme Property of a Sub-Fund is to consist of transferable securities (or certificates representing 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 of a Sub-Fund (covered bonds need not be taken into account for the purposes of applying the limit of 40%).

4.5 The limit of 5% is raised to 25% in value of the Scheme Property of a Sub-Fund 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.

4.6 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.

4.7 Not more than 20% in value of the Scheme Property may consist of transferable securities and approved money market instruments issued by the same group.

4.8 Not more than 20% in value of the Scheme Property is to consist of the units or shares of any one collective investment scheme.

4.9 In applying the limits in paragraphs 4.3, 4.4, 4.6 and subject to paragraph 4.5 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:

- transferable securities (including covered bonds) or approved money market

instruments issued by; or

- deposits made with; or
- exposures from OTC derivatives transactions made with, a single body.

5. **Counterparty risk and issuer concentration**

5.1 The ACD must ensure that counterparty risk arising from an OTC derivative is subject to the limits set out in 4.6 and 4.9 above.

5.2 When calculating the exposure of a Sub-Fund to a counterparty in accordance with the limits in 4.6 above, the ACD must use the positive mark-to-market value of the OTC derivative contract with that counterparty.

5.3 An 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.

5.4 The netting agreements in 5.3 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.

5.5 The ACD may reduce the exposure of Scheme Property to a counterparty of an OTC derivative transaction 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.

5.6 The ACD must take collateral into account in calculating exposure to counterparty risk in accordance with the limits in paragraph 4.6 above when it passes collateral to an OTC counterparty on behalf of a Sub-Fund.

5.7 Collateral passed in accordance with 5.6 above 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 a Sub-Fund.

5.8 The ACD must calculate the issuer concentration limits referred to in paragraph 4.6 above on the basis of the underlying exposure created through the use of OTC derivatives pursuant to the commitment approach.

5.9 In relation to the exposure arising from OTC derivatives as referred to in paragraph 4.6, the ACD must include in the calculation any counterparty risk relating to the OTC derivative transactions.

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

6.1 The following section applies to government and public securities (“such securities”).

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

- 6.3 The Company or any Sub-Fund may invest more than 35% in value of the Scheme Property of a Sub-Fund in such securities issued by any one body provided that:
- 6.3.1 the ACD has before any investment of this kind 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 authorised Sub-Fund;
 - 6.3.2 no more than 30% in value of the Scheme Property consists of such securities of any one issue;
 - 6.3.3 the Scheme Property of a Sub-Fund includes such securities issued by that or another issuer, of at least six different issues;
 - 6.3.4 the disclosures in the Prospectus required by the FCA have been made.
- 6.4 The Sub-Funds may invest more than 35% of the scheme property in government and public securities issued or guaranteed by any one of the following:
- 6.4.1 the Government of the United Kingdom; the Executive Committee of the Northern Ireland Assembly; the Scottish Administration; and Public National Assembly of Wales;
 - 6.4.2 the Government of Australia, Austria, Belgium, Bulgaria, Canada, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Latvia, Lichtenstein, Lithuania, Luxembourg, Malta, Netherlands, New Zealand, Norway, Poland, Portugal, Romania, Slovenia, Spain, Slovakia, Sweden, Switzerland and the United States of America;
 - 6.4.3 the Asian Development Bank, Council of Europe Development Bank, European Bank for Reconstruction and Development, European Investment Bank, Inter-American Development Bank, the Asian Development Bank, the Japan Development Bank, International Finance Corporation, the World Bank and Nordic Investment Bank;
 - 6.4.4 the Government of an OECD member country being currently: Australia; Austria; Belgium; Canada; Czech Republic; Denmark; Finland; France; Germany; Greece; Hungary; Iceland; Ireland; Italy; Japan; Korea; Luxembourg; Mexico; Netherlands; New Zealand; Norway; Poland; Portugal; Slovak Republic; Spain; Sweden; Switzerland; Turkey; the United Kingdom; the United States of America.

7. **Investment in collective investment schemes**

- 7.1 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 and no more than 30% of the value of the Scheme Property is invested in Second Schemes within paragraph 7.1.1.2 to 7.1.1.5.

- 7.1.1 The Second Scheme must:

- 7.1.1.1 satisfy the conditions necessary for it to enjoy the rights conferred by the UCITS Directive; or

- 7.1.1.2 be recognised under the provisions of s.272 of the Financial Services and Markets Act 2000 that is authorised by the supervisory authorities of Guernsey, Jersey or the Isle of Man (provided the requirements of article 50(1)(e) of the UCITS Directive are met); or
- 7.1.1.3 be authorised as a Non-UCITS Retail Scheme (provided that the requirements of Article 50(1)(e) of the UCITS Directive are met); or
- 7.1.1.4 be authorised in another EEA State (provided the requirements of Article 50(1)(e) of the UCITS Directive are met); or
- 7.1.1.5 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).

- 7.1.2 The Second Scheme has terms which prohibit more than 10% in value of the scheme property consisting of units or shares in collective investment schemes.
- 7.1.3 Investment may only be made in other collective investment schemes managed by the ACD or an associate of the ACD if the Prospectus of the investing Sub-Fund clearly states that it may enter into investments of this kind and COLL 5.2.15 R and COLL 5.2.16 R are complied with.
- 7.1.4 Where the Second Scheme is an umbrella, the provisions in paragraphs 7.1.2 to 7.1.3 apply to each sub-fund as if it were a separate scheme.
- 7.1.5 The Scheme Property attributable to a Sub-Fund may include Shares in another Sub-Fund of the Company (the “Second Fund”) subject to the requirements of paragraph 7.1.6 below.
- 7.1.6 A Sub-Fund may invest in or dispose of Shares of a Second Fund provided that:
 - 7.1.6.1 the Second Fund does not hold Shares in any other Sub-Fund;
 - 7.1.6.2 the requirements set out at paragraphs 7.3 and 7.4 below are complied with; and
 - 7.1.6.3 not more than 20% in value of the Scheme Property of the investing or disposing Sub-Fund is to consist of shares in the Second Fund.

7.2 The Sub-Funds may, subject to the limit set out in 7 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.

7.3 Investment may only be made in a Second Fund or other collective investment schemes managed by the ACD of the Sub-Funds or one of its associates if the Prospectus of the Company or prospectus of the scheme (respectively) clearly states that the Sub-Funds may enter into such investments and the rules on double charging contained in the COLL Sourcebook are complied with.

7.4 Where a Sub-Fund of the Company invests in or disposes of Shares in a Second 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 Second Fund by the close of business on the fourth business day the amount of any preliminary charge in respect of a purchase, and in the case of a sale any charge made for the disposal.

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

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

8.2 A warrant which is an investment falling within article 80 of the Regulated Activities Order (certificates representing certain securities) and which is akin to an investment falling within article 79 (instruments giving entitlement to investments) of the Regulated Activities Order may not be included in the Scheme Property unless it is listed on an eligible securities market.

9. **Investment in approved money market instruments**

9.1 A Sub-Fund may invest in approved money market instruments which are money market instruments normally dealt in on the money market, are liquid and whose value can be accurately determined at any time.

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

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

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

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

9.2.4 has a risk profile, including credit and interest rate risks, corresponding to that of an instrument which has a maturity as set out in 9.2.1 or 9.2.2 or is subject to yield adjustments as set out in 9.2.3.

9.3 A money-market instrument will 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.

9.4 A money-market instrument will 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:

- 9.4.1 enabling the ACD to calculate a net asset value in accordance with the value at which the instrument held in the Sub-Fund portfolio could be exchanged between knowledgeable willing parties in an arm's length transaction; and
 - 9.4.2 based either on market data or on valuation models including systems based on amortised costs.
 - 9.4.3 A money-market instrument that is normally dealt in on the money market and is admitted to or dealt in on an eligible market will 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.
- 9.5 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:
- 9.5.1 the issue or the issuer is regulated for the purpose of protecting investors and savings; and
 - 9.5.2 the instrument is issued or guaranteed in accordance with paragraph 9.7 below.
- 9.6 The issue or the issuer of a money-market instrument, other than one dealt in on an eligible market, will be regarded as regulated for the purpose of protecting investors and savings if:
- 9.6.1 the instrument is an approved money-market instrument;
 - 9.6.2 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 paragraphs 9.9, 9.10 and 9.11 below; and
 - 9.6.3 the instrument is freely transferable.
- 9.7 A Sub-Fund may invest in an approved money-market instrument if it is:
- 9.7.1 issued or guaranteed by any one of the following:
 - 9.7.1.1 a central authority of an EEA State or, if the EEA State is a federal state, one of the members making up the federation;
 - 9.7.1.2 a regional or local authority of an EEA State;
 - 9.7.1.3 the European Central Bank or a central bank of an EEA State;
 - 9.7.1.4 the European Union or the European Investment Bank;
 - 9.7.1.5 a non-EEA State or, in the case of a federal state, one of the members making up the federation;
 - 9.7.1.6 a public international body to which one or more EEA States belong; or
 - 9.7.2 issued by a body, any securities of which are dealt in on an eligible market; or

- 9.7.3 issued or guaranteed by an establishment which is:
- 9.7.3.1 subject to prudential supervision in accordance with criteria defined by European Community law; or
 - 9.7.3.2 subject to and complies with prudential rules considered by the FCA to be at least as stringent as those laid down by European Community law.
- 9.8 An establishment will be considered to satisfy the requirement in paragraph 9.7.3.2 if it is subject to and complies with prudential rules, and fulfils one or more of the following criteria:
- 9.8.1 it is located in the European Economic Area;
 - 9.8.2 it is located in an OECD country belonging to the Group of Ten;
 - 9.8.3 it has at least investment grade rating;
 - 9.8.4 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 Community law.
- 9.9 In the case of an approved money-market instrument within paragraphs 9.7 and 9.8 above or issued by a body of the type referred to in COLL 5.2.10EG, or which is issued by an authority within paragraph 9.7.1.2 or a public international body within paragraph 9.7.1.6 but is not guaranteed by a central authority within 9.7.1.1, the following information must be available:
- 9.9.1 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;
 - 9.9.2 updates of that information on a regular basis and whenever a significant event occurs; and
 - 9.9.3 available and reliable statistics on the issue or the issuance programme.
- 9.10 In the case of an approved money-market instrument issued or guaranteed by an establishment within paragraph 9.7.3, the following information must be available:
- 9.10.1 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;
 - 9.10.2 updates of that information on a regular basis and whenever a significant event occurs; and
 - 9.10.3 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.
- 9.11 In the case of an approved money-market instrument:

- 9.11.1 within paragraphs 9.7.1.1, 9.7.1.4 or 9.7.1.5; or
- 9.11.2 which is issued by an authority within paragraph 9.7.1.2 or a public international body within paragraph 9.7.1.6 and is guaranteed by a central authority within paragraph 9.7.1.1;
- 9.11.3 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, this information must be updated on a regular basis and whenever a significant event occurs;
- 9.11.4 reliable statistics must be available on the issue or the insurance program or other data enabling an appropriate assessment of the credit risks related to investment in those instruments.

10. Efficient Portfolio Management

- 10.1 The Sub-Funds may utilise property to enter into transactions for the purposes of EPM. There is no limit on the amount or value of the Scheme Property which may be used for EPM but the ACD must ensure that the transaction is economically appropriate in that they are realised in a cost effective way, they are entered into for one or more of the following specific aims: reduction of the relevant risks (whether in the price of investments, interest rates or exchange rates) or to the reduction of the relevant costs and/or to the generation of additional capital or income with a risk level which is consistent with the risk profile of the scheme and the risk diversification rules in COLL. The exposure must be fully “covered” by cash and/or other property sufficient to meet any obligation to pay or deliver that could arise. **The use of derivatives for EPM should not lead to an increase in risk to the relevant Sub-Fund.**
- 10.2 Permitted transactions are those that the Sub-Fund reasonably regards as economically appropriate to EPM, that is:
 - 10.2.1 Transactions undertaken to reduce risk or cost in terms of fluctuations in prices, interest rates or exchange rates where the ACD reasonably believes that the transaction will diminish a risk or cost of a kind or level which it is sensible to reduce; or
 - 10.2.2 Transactions for the generation of additional capital growth or income for the Sub-Fund by taking advantage of gains which the ACD reasonably believes are certain to be made (or certain, barring events which are not reasonably foreseeable) as a result of:
 - 10.2.2.1 pricing imperfections in the market as regards the property which the Sub-Fund holds or may hold; or
 - 10.2.2.2 receiving a premium for the writing of a covered call option or a covered put option on property of the Sub-Fund which the Sub-Fund is willing to buy or sell at the exercise price, or
 - 10.2.2.3 stock lending arrangements.

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

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

11. **Derivatives: general**

11.1 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 12 below, and the transaction is covered, as required by paragraph 19 of this Appendix.

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

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

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

11.4.1 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;

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

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

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

11.6 Where a Sub-Fund invests in an index based derivative, provided the relevant index falls within COLL 5.2.33R (Relevant Indices) 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, this is subject to the

ACD taking account of COLL 5.2.3 R.¹

11.7 In the context of this Prospectus, “efficient portfolio management” means the use of derivatives (which are reasonably regarded by the ACD as economically appropriate and are fully covered) in order to achieve a reduction in certain relevant risks, a reduction of costs, or to generate additional capital or income for the Sub-Fund with no, or an acceptably low level of risk.

11.8 The Sub-Funds will be able to use derivatives for the purpose of meeting the investment objectives and policies of the Sub-Funds as well as for efficient portfolio management purposes.

11.9 Where the ACD invests in derivatives and forward transactions in the pursuit of a Sub-Fund’s objectives and policies, the Net Asset Value of that Sub-Fund may at times be volatile (in the absence of compensating investment techniques). A Sub-Fund may have volatility over and above the general market volatility of the markets of the Sub-Fund’s underlying investments owing to the use of the derivatives and/or forward transactions in the pursuit of its objectives. The use of derivatives and forward transactions in the pursuit of a Sub-Fund’s objective may cause its risk profile to change, this may be material.

12. Permitted transactions (derivatives and forwards)

12.1 A transaction in a derivative must be:

12.1.1 in an approved derivative; or

12.1.2 be one which complies with paragraph 15 of this Appendix.

12.2 A transaction in a derivative must have the underlying consisting of any one or more of the following to which the scheme is dedicated: transferable securities, approved money market instruments permitted under paragraph 9, deposits, permitted derivatives under this paragraph, collective investment scheme units or shares permitted under paragraph 7, financial indices which satisfy the criteria set out in COLL 5.2.20, interest rates, foreign exchange rates, and currencies.

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

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

12.5 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, money market instruments, units or shares in collective investment schemes, or derivatives.

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

¹ COLL 5.2.19(5)

13. **Financial indices underlying derivatives**

13.1 The financial indices referred to in 13.2 are those which satisfy the following criteria:

13.1.1 the index is sufficiently diversified;

13.1.2 the index represents an adequate benchmark for the market to which it refers; and

13.1.3 the index is published in an appropriate manner.

13.2 A financial index is sufficiently diversified if:

13.2.1 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;

13.2.2 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 section; and

13.2.3 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 section.

13.3 A financial index represents an adequate benchmark for the market to which it refers if:

13.3.1 it measures the performance of a representative group of underlyings in a relevant and appropriate way;

13.3.2 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

13.3.3 the underlyings are sufficiently liquid, allowing users to replicate it if necessary.

13.4 A financial index is published in an appropriate manner if:

13.4.1 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

13.4.2 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.

13.5 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 will where they satisfy the requirements with respect to other underlyings pursuant to paragraph 12.2, be regarded as a combination of those underlyings.

Transactions for the purchase of property

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

Requirement to cover sales

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

14. Valuation of OTC derivatives

14.1 For the purposes of paragraph 15.1.3, the ACD must:

14.1.1 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

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

14.2 Where the arrangements and procedures referred to in 14 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).

14.3 The arrangements and procedures referred to in 14 above must be

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

14.3.2 adequately documented.

15. OTC transactions in derivatives

15.1 Any transaction in an OTC derivative under paragraph 12.1.2 above must be:

15.1.1 in a future or an option or a contract for differences;

15.1.2 with an approved counterparty; A counterparty to a transaction in derivatives is approved only if the counterparty is an Eligible Institution or an Approved Bank; or a person whose permission (including any requirements or limitations), as published in the FCA Register or whose Home State authorisation, permits it to enter into the transaction as principal off-exchange;

15.1.3 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 the ACD can enter into one or more further transactions to sell, liquidate or close out that transaction at any time, at its fair value; and

- 15.1.4 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:
 - 15.1.4.1 on the basis of an up-to-date market value which the ACD and the Depositary have agreed is reliable; or
 - 15.1.4.2 if the value referred to in 15.1.4.1 is not available, on the basis of a pricing model which the ACD and the Depositary have agreed uses an adequate recognised methodology; and
- 15.1.5 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:
 - 15.1.6 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
 - 15.1.7 a department within the ACD which is independent from the department in charge of managing the Sub-Fund and which is adequately equipped for such a purpose.

For the purposes of 15.1.3 above, “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.

16. **Risk management**

- 16.1 The ACD uses a risk management process (including a risk management policy in accordance with COLL 6.12), 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.
- 16.2 Before using the process, the ACD will notify the FCA of the details of the risk management process. The following details of the risk management process must be regularly notified to the FCA and at least on an annual basis:
 - 16.2.1 a true and fair view of the types of derivatives and forward transactions to be used within a Sub-Fund together with their underlying risks and any relevant quantitative limits; and
 - 16.2.2 the methods for estimating risks in derivative and forward transactions.
- 16.3 The ACD must notify the FCA in advance of any material alteration to the details above.

17. **Investments in deposits**

- 17.1 The 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.

18. **Stock lending**

18.1 The entry into stock lending or repo transactions for the account of the Sub-Fund is permitted for the generation of additional income for the benefit of the Sub-Fund, and hence for its investors.

18.2 The specific method of stock lending permitted in this section is in fact not a transaction which is a loan in the normal sense. Rather it is an arrangement of the kind described in section 263B of the Taxation of Chargeable Gains Act 1992, under which the lender transfers securities to the borrower otherwise than by way of sale and the borrower is to transfer those securities, or securities of the same type and amount, back to the lender at a later date. In accordance with good market practice, a separate transaction by way of transfer of assets is also involved for the purpose of providing collateral to the “lender” to cover him against the risk that the future transfer back of the securities may not be satisfactorily completed.

18.3 The stock lending permitted by this section may be exercised by the Sub-Fund when it reasonably appears to the Sub-Fund to be appropriate to do so with a view to generating additional income for the Sub-Fund with an acceptable degree of risk.

18.4 The Company or the Depositary at the request of Company may enter into a stock lending arrangement of the kind described in section 263B of the Taxation of Chargeable Gains Act 1992 (without extension by section 263C), but only if:

18.4.1 all the terms of the agreement under which securities are to be reacquired by the Depositary for the account of the Sub-Fund, are in a form which is acceptable to the Depositary and are in accordance with good market practice;

18.4.2 the counterparty is:

18.4.2.1 an authorised person; or

18.4.2.2 a person authorised by a Home State regulator; or

18.4.2.3 a person registered as a broker-dealer with the Securities and Exchange Commission of the United States of America; or

18.4.2.4 a bank, or a branch of a bank, supervised and authorised to deal in investments as principal, with respect to OTC derivatives by at least one of the following federal banking supervisory authorities of the United States of America:

(a) the Office of the Comptroller of the Currency;

(b) the Federal Deposit Insurance Corporation;

(c) the Board of Governors of the Federal Reserve System; and

(d) the Office of Thrift Supervision, and

- 18.4.3 collateral is obtained to secure the obligation of the counterparty under the terms referred to in paragraph 18.4.1 and the collateral is:
- 18.4.3.1 acceptable to the depositary;
 - 18.4.3.2 adequate; and
 - 18.4.3.3 sufficiently immediate.
- 18.4.4 The counterparty for the purpose of paragraph 18.4 is the person who is obliged under the agreement referred to in paragraph 18.4.1 to transfer to the depositary the securities transferred by the depositary under the stock lending arrangement or securities of the same kind.
- 18.4.5 18.4.3 does not apply to a stock lending transaction made through Euroclear Bank SA/NV's Securities Lending and Borrowing Programme.
- 18.5 The Depositary must ensure that the value of the collateral at all times is at least equal to the value of the securities transferred by the Depositary. This duty may be regarded as satisfied in respect of collateral the validity of which is about to expire or has expired where the Depositary takes reasonable care to determine that sufficient collateral will again be transferred at the latest by the close of business on the day of expiry.
- 18.6 Any agreement for transfer at a future date of securities or of collateral (or of the equivalent of either) may be regarded, for the purposes of valuation under the COLL Sourcebook, as an unconditional agreement for the sale or transfer of property, whether or not the property is part of the property of the Sub-Fund.
- 18.7 There is no limit on the value of the Scheme Property of a Sub-Fund which may be the subject of stock lending transactions.
19. **Schemes replicating an index**
- 19.1 A Sub-Fund may invest up to 20% in value of the Scheme Property in shares and debentures which are issued by the same body where the stated investment policy is to replicate the composition of a relevant index as defined below.
- 19.2 The 20% limit can be raised for a particular Sub-Fund up to 35% in value of the Scheme Property, but only in respect of one body and where justified by exceptional market conditions.
- 19.3 In the case of a Sub-Fund replicating an index the Scheme Property of a Sub-Fund need not consist of the exact composition and weighting of the underlying in the relevant index where deviation from this is expedient for reasons of poor liquidity or excessive cost to the scheme in trading in an underlying investment.
- 19.4 The indices referred to above are those which satisfy the following criteria:
- 19.4.1 the composition is sufficiently diversified;
 - 19.4.2 the index is a representative benchmark for the market to which it refers; and

19.4.3 the index is published in an appropriate manner.

20. **Cover for investment in derivatives**

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

- 20.1 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
- 20.2 its global exposure to the underlying assets does not exceed in aggregate the investment limits laid down in paragraph 4 above.

A Sub-Fund's exposure to any single counterparty to a securities lending or an OTC derivative transaction may not exceed the limits in this appendix.

Each Sub-Fund is permitted to balance exposure to any counterparty by taking or giving 'collateral'. Collateral is a pledge of an asset as security for one party's risk to the other. The Sub-Funds accept cash and G7 sovereign debt as eligible collateral.

Sometimes a Sub-Fund, or the OTC derivative counterparty, will apply a 'haircut' to non-cash collateral. A haircut is a nominal reduction applied to the market value of collateral to provide a buffer against rises and falls in the value or the exposure of that type of collateral.

The value of collateral, taking account of haircuts, is regularly adjusted to maintain the agreed level/range of exposure to a Sub-Fund.

When a Sub-Fund takes collateral, it becomes the (legal) owner of the collateral but places it with the Depository for safekeeping. The Sub-Fund is entitled to reinvest cash collateral but this is subject to certain liquidity and risk management requirements.

21. **Daily calculation of global exposure**

- 21.1 The ACD must calculate the global exposure of a Sub-Fund on at least a daily basis.
- 21.2 For the purposes of this section exposure must be calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.

22. **Calculation of global exposure**

- 22.1 The ACD must calculate the global exposure of any Sub-Fund it manages either as:
 - 22.1.1 the incremental exposure and leverage generated through the use of derivatives and forward transactions (including embedded derivatives as referred to in paragraph 11, which may not exceed 100% of the net value of the Scheme Property; or
 - 22.1.2 the market risk of the Scheme Property.
- 22.2 The ACD must calculate the global exposure of a Sub-Fund by using:
 - 22.2.1 the commitment approach; or

- 22.2.2 the value at risk (“**VaR**”) approach.
- 22.3 The ACD must ensure that the method selected in 22.2 is appropriate, taking into account:
- 22.3.1 the investment strategy pursued by the Sub-Fund;
- 22.3.2 the types and complexities of the derivatives and forward transactions used; and
- 22.3.3 the proportion of the Scheme Property comprising derivatives and forward transactions.
- 22.4 There are two different kinds of VaR approach: the absolute VaR approach and the relative VaR approach. Under the absolute VaR approach a limit is set as a percentage of the Net Asset Value of the Fund. The absolute VaR limit of a fund is 20% or less of its Net Asset Value. The limit is based upon a 1 month holding period and a 99% unilateral confidence interval. Under the relative VaR approach a limit is set as a multiple of the VaR of a benchmark or reference portfolio. The relative VaR limit of a fund is twice or less of the VaR of the Fund’s VaR benchmark. The limit is based upon a 1 month holding period and a 99% unilateral confidence interval.
- 22.5 Where a Sub-Fund employs techniques and instruments including repo contracts or stock lending transactions in accordance with paragraph 17 in order to generate additional leverage or exposure to market risk, the ACD must take those transactions into consideration when calculating global exposure.
- 22.6 For the purposes of 22.2, value at risk means a measure of the maximum expected loss at a given confidence level over the specific time period.
- 22.7 Where the ACD uses the commitment approach for the calculation of global exposure, it must:
- 22.7.1 ensure that it applies this approach to all derivative and forward transactions (including embedded derivatives as referred to in paragraph 11, whether used as part of the Sub-Fund’s general investment policy, for the purposes of risk reduction or for the purposes of efficient portfolio management in accordance with paragraph 17; and
- 22.7.2 convert each derivative or forward transaction into the market value of an equivalent position in the underlying asset of that derivative or forward (standard commitment approach).
- 22.8 The ACD may apply other calculation methods which are equivalent to the standard commitment approach.
- 22.9 The ACD may take account of netting and hedging arrangements when calculating global exposure of a Sub-Fund, where these arrangements do not disregard obvious and material risks and result in a clear reduction in risk exposure.
- 22.10 Where the use of derivatives or forward transactions does not generate incremental exposure for the Sub-Fund, the underlying exposure need not be included in the commitment calculation.

22.11 Where the commitment approach is used, temporary borrowing arrangements entered into on behalf of the Sub-Fund in accordance with paragraph 25 need not form part of the global exposure calculation.

23. **Cover and Borrowing**

23.1 Cash obtained from borrowing, and borrowing which the ACD reasonably regards an Eligible Institution or an Approved Bank to be committed to provide, is available for cover under paragraph 19 of this Appendix as long as the normal limits on borrowing (see below) are observed.

23.2 Where, for the purposes of this paragraph the Company borrows an amount of currency from an Eligible Institution or an Approved Bank; and keeps an amount in another currency, at least equal to that borrowing for the time on deposit with the lender (or his agent or nominee), then this applies as if the borrowed currency, and not the deposited currency, were part of the Scheme Property, and the normal limits on borrowing under paragraph 25 of this Appendix do not apply to that borrowing.

24. **Cash and near cash**

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

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

24.1.2 the redemption of units or shares; or

24.1.3 efficient management of the Sub-Fund in accordance with its investment objective; or

24.1.4 other purposes which may reasonably be regarded as ancillary to the investment objective of the Sub-Fund.

24.2 During the period of the initial offer the Scheme Property may consist of cash and near cash without limitation.

25. **Underwriting**

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

26. **Borrowing powers**

26.1 The ACD may, on the instructions of the Sub-Fund and subject to the COLL Sourcebook, 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.

26.2 Borrowing must be on a temporary basis, must not be persistent, and in any event must not exceed three months without prior consent of the Depositary, which may be given only on those conditions which appear appropriate to the Depositary to ensure that the borrowing does not cease to be on a temporary basis.

- 26.3 The ACD must ensure that borrowing does not, on any business day, exceed 10% of the value of the Sub-Fund.
- 26.4 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).
27. **Restrictions on lending of property other than money**
- 27.1 Scheme Property other than money must not be lent by way of deposit or otherwise.
- 27.2 Transactions permitted by paragraph 17 are not to be regarded as lending for the purposes of paragraph 27.
- 27.3 The Scheme Property must not be mortgaged.
- 27.4 Where transactions in derivatives or forward transaction are used for the account of a Sub-Fund, nothing in this paragraph prevents the Company or the Depositary from:
- 27.4.1 lending, depositing, pledging or charging Scheme Property for margin requirements;
or
- 27.4.2 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.
28. **Restrictions on lending of money**
- 28.1 None of the money in the Scheme Property may be lent and, for the purposes of this paragraph, money is lent by the Sub-Fund if it is paid to a person (“the payee”) on the basis that it should be repaid, whether or not by the payee.
- 28.2 Acquiring a debenture is not lending for the purposes of paragraph 26.1, nor is the placing of money on deposit or in a current account.
29. **Guarantees and indemnities**
- 29.1 The Depositary, for the account of a Sub-Fund, must not provide any guarantees or indemnity in respect of the obligation of any person.
- 29.2 Scheme Property may not be used to discharge any obligation arising under a guarantee or indemnity with respect to the obligation of any person.
- 29.3 Paragraphs 27 and 29.2 do not apply to any indemnity or guarantee given for margin requirements where derivatives or forward transactions are being used or an indemnity given to a person winding up a body corporate or other scheme in circumstances where share assets are becoming part of the Scheme Property by way of unitisation.

30. **Concentration**

A UCITS Scheme:

- 30.1 must not acquire transferable securities other than debt securities which:
 - 30.1.1 do not carry a right to vote on any matter at a general meeting of the body corporate that issued them; and
 - 30.1.2 represent more than 10% of these securities issued by that body corporate;
- 30.2 must not acquire more than 10% of the debt securities issued by any single issuing body;
- 30.3 must not acquire more than 25% of the units or shares in a collective investment scheme;
- 30.4 must not acquire more than 10% of the money market instruments issued by any single body;
- 30.5 need not comply with the limits in paragraphs 30.2, 30.3 and 30.4 and of this Appendix if, at the time of the acquisition, the net amount in issue of the relevant investment cannot be calculated.

31. **Significant Influence**

- 31.1 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:
 - 31.1.1 immediately before the acquisition, the aggregate of any such securities held by the Company gives that Company power significantly to influence the conduct of business of that body corporate; or
 - 31.1.2 the acquisition gives the Company that power.
- 31.2 For the purposes of this paragraph 31 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).

32. **General**

- 32.1 It is envisaged that the Sub-Funds 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 order to enable the redemption of units or shares, efficient management of the Sub-Fund or any one purpose which may reasonably be regarded as ancillary to the investment objective of the Sub-Fund.
- 32.2 No Sub-Fund may invest in the Shares of another Sub-Fund of the Company.
- 32.3 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 the Sub-Fund by the close of business on the fourth business day the amount of any

preliminary charge in respect of a purchase, and in the case of a sale, any charge made for the disposal.

- 32.4 A potential breach of any of these limits does not prevent the exercise of rights conferred by investments held by the Sub-Fund but, in the event of a consequent breach, the ACD must then take those steps as are necessary to restore compliance with the investment limits as soon as practicable having regard to the interests of Shareholders.
- 32.5 It is not intended that the Company have any interest in any immovable or moveable property for the direct pursuit of its business.

Appendix 5 – Expected Leverage

The table below sets out the method of calculating exposure and the expected gross leverage parameters in respect of each Fund (expressed as a percentage of NAV).

Please note that the gross leverage figures are not a true reflection of risk, and that the figures given below are expected figures and not limits. In particular, the figure given in the column headed “Higher expected leverage level (%)” is not a maximum figure, and the leverage of any Fund may exceed this figure.

Fund Name	Global exposure calculation method	Typical expected leverage level (%)	Higher expected leverage level (%)
Sarasin Fund of Funds – Global Diversified Growth	Absolute VaR	130	190
Sarasin Fund of Funds - Global Equity	Absolute VaR	140	230

Appendix 6 – Sub-custodians

	Country	Sub-custodian
1	Argentina*	Citibank, N.A.
2	Australia	HSBC Bank Australia Limited
3	Austria	UniCredit Bank Austria A.G
4	Bahrain	HSBC Bank Middle East Limited
5	Bangladesh	Standard Chartered Bank
6	Belgium	Deutsche Bank AG
7	Benin	Standard Chartered Bank (Mauritius) Limited
8	Bermuda	HSBC Bank Bermuda Limited
9	Bosnia and Herzegovina - Federation of B&H	Raiffeisen Bank International AG
10	Bosnia and Herzegovina – Republic of Srpska	Raiffeisen Bank International AG
11	Botswana	Standard Chartered Bank Botswana Limited
12	Brazil	Citibank, N.A.
13	Bulgaria	Citibank Europe plc
14	Burkina Faso	Standard Chartered Bank (Mauritius) Limited
15	CD's USD****	Deutsche Bank AG, London Branch
16	Canada	The Northern Trust Company, Canada
16	Canada**	Royal Bank of Canada
17	Chile	Banco de Chile
18	China A	HSBC Bank (China) Company Limited
19	China B	HSBC Bank (China) Company Limited
20	Colombia	Cititrust Colombia S.A. Sociedad Fiduciaria
21	Costa Rica	Banco Nacional de Costa Rica
22	Croatia	UniCredit Bank Austria A.G.
23	Cyprus	Citibank Europe plc, Greece Branch
24	Czech Republic	UniCredit Bank Czech Republic and Slovakia, a.s.
25	Denmark	Nordea Bank Danmark A/S
26	Egypt	Citibank, N.A.
27	Estonia	Swedbank AS
28	Euroclear Bank***	Euroclear Bank S.A./N.V.
29	Finland	Nordea Bank Finland plc
30	France	Deutsche Bank AG
31	Germany	Deutsche Bank AG
32	Ghana	Standard Chartered Bank Ghana Limited
33	Greece	Citibank Europe plc, Greece Branch
34	Guinea Bissau	Standard Chartered Bank (Mauritius) Limited
35	Hong Kong SAR	The Hongkong and Shanghai Banking Corporation Limited
36	Hungary	UniCredit Bank Hungary Zrt
37	Iceland*	Landsbankinn hf
38	India	Citibank, N.A.
39	Indonesia	Standard Chartered Bank
40	Ireland	The Northern Trust Company, London
41	Israel	Bank Leumi Le-Israel BM
42	Italy	Deutsche Bank SpA
43	Ivory Coast	Standard Chartered Bank (Mauritius) Limited
44	Japan	The Hong Kong and Shanghai Banking Corporation Ltd
45	Jordan	Standard Chartered Bank

46	Kazakhstan	JSC Citibank Kazakhstan
47	Kenya	Standard Chartered Bank Kenya Limited
48	Kuwait	HSBC Bank Middle East Limited
49	Latvia	Swedbank AS
50	Lebanon	HSBC Bank Middle East Limited
51	Lithuania	AB SEB Bankas
52	Luxembourg***	Euroclear Bank S.A./N.V.
53	Malaysia	HSBC Bank Malaysia Berhad
54	Mali	Standard Chartered Bank (Mauritius) Limited
55	Mauritius	The Hong Kong and Shanghai Banking Corporation Ltd
56	Mexico	Banco Nacional de Mexico, S.A.
57	Morocco	Societe Generale Marocaine de Banques
58	Namibia	Standard Bank Namibia Ltd
59	Netherlands	Deutsche Bank AG
60	New Zealand	The Hong Kong and Shanghai Banking Corporation Ltd
61	Niger	Standard Chartered Bank (Mauritius) Limited
62	Nigeria	Stanbic IBTC Bank Plc
63	Norway	Nordea Bank Norge ASA
64	Oman	HSBC Bank Oman SAOG
65	Pakistan	Citibank, N.A.
66	Panama	Citibank, N.A., Panama Branch
67	Peru	Citibank del Peru S.A.
68	Philippines	The Hong Kong and Shanghai Banking Corporation Ltd
69	Poland	Bank Polska Kasa Opieki SA
70	Portugal	BNP Paribas Securities Services
71	Qatar	HSBC Bank Middle East Limited
72	Romania	Citibank Europe plc
73	Russia	AO Citibank
74	Saudi Arabia	HSBC Saudi Arabia Limited
75	Senegal	Standard Chartered Bank (Mauritius) Limited
76	Serbia	UniCredit Bank Austria A.G.
77	Singapore	DBS Bank Ltd
78	Slovakia	Citibank Europe plc
79	Slovenia	UniCredit Banka Slovenija d.d.
80	South Africa	The Standard Bank of South Africa Limited
81	South Korea	The Hong Kong and Shanghai Banking Corporation Ltd
82	Spain	Deutsche Bank SAE
83	Sri Lanka	Standard Chartered Bank
84	Swaziland	Standard Bank Swaziland Limited
85	Sweden	Svenska Handelsbanken AB (publ)
86	Switzerland	Credit Suisse AG
87	Taiwan	Bank of Taiwan
88	Tanzania	Standard Chartered Bank (Mauritius) Limited
89	Thailand	Citibank, N.A.
90	Togo	Standard Chartered Bank (Mauritius) Limited
91	Tunisia	Banque Internationale Arabe de Tunisie
92	Turkey	Deutsche Bank A.S.
93	Uganda	Standard Chartered Bank Uganda Limited

94	Ukraine	PJSC Citibank
95	United Arab Emirates - ADX	HSBC Bank Middle East Limited
96	United Arab Emirates - DFM	HSBC Bank Middle East Limited
97	United Arab Emirates - NASDAQ Dubai	HSBC Bank Middle East Limited
98	United Kingdom	The Northern Trust Company, London
99	United States	The Northern Trust Company
100	Uruguay	Banco Itau Uruguay S.A.
101	Venezuela*	Citibank, N.A.
102	Vietnam	HSBC Bank (Vietnam) Ltd
103	Zambia	Standard Chartered Bank Zambia plc
104	Zimbabwe	Standard Chartered Bank (Mauritius) Limited

* Market Suspended

** The Royal Bank of Canada serves as Northern Trust's subcustodian for securities not eligible for settlement in Canada's local central securities depository

*** Euroclear is classified as an International Central Securities Depository (ICSD), not a subcustodian relationship

**** Deutsche Bank AG operates as a Central Securities Depository for US\$ CD's and is not classified as a subcustodian

Directory

Authorised Corporate Director

Sarasin Investment Funds Limited
Juxon House
100 St. Paul's Churchyard
London
EC4M 8BU
(authorised and regulated by the Financial Conduct Authority)

Investment Manager

Sarasin & Partners LLP
Juxon House
100 St. Paul's Churchyard
London
EC4M 8BU
(authorised and regulated by the Financial Conduct Authority)

Registered and Head Office of the Company

Juxon House
100 St. Paul's Churchyard
London
EC4M 8BU

Depositary

NatWest Trustee and Depositary Services Limited
Drummond House
1 Redheughs Avenue
Edinburgh
EH12 9RH

Auditors

Deloitte LLP
1 New Street Square
London
EC4A 3HQ

Administrator and Registrar

Northern Trust Global Services SE
50 Bank Street
Canary Wharf
London
E14 5NT
(authorised and regulated by the Financial Conduct Authority)