

Prospectus of The Castleton Growth Fund

(An open-ended investment company incorporated with limited liability and registered in England and Wales under registered number IC000452)



THIS PROSPECTUS IS IMPORTANT

IF YOU ARE IN ANY DOUBT AS TO THE MEANING OF ANY INFORMATION CONTAINED IN THIS PROSPECTUS, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER.

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. Intending investors 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.

Prepared in accordance with the Collective Investment Schemes Sourcebook

Dated and valid as at, 23 November 2015.

VCN: 2125

Contents

Clause	Page
Interpretation	3
1 Constitution	4
2 Investment Objectives and Policies	5
3 Risk Factors	5
4 The Authorised Corporate Director	8
5 The Investment Manager	8
6 The Depositary	9
7 No Liability to Account	9
8 Shares in the Company	9
9 Register	10
10 Valuations	10
11 Prices of Shares	11
12 Dilution Levy	11
13 Stamp Duty Reserve Tax	11
14 Issue, Redemption and Exchange of Shares	12
15 Conversion Between Classes	14
16 Suspension of Dealings	14
17 Restrictions and Compulsory Transfer and Redemption	15
18 Distribution	15
19 Income Equalisation	16
20 The Authorised Corporate Director's Charges	16
21 The Fees, Charges and Expenses of the Depositary	21
22 Other Payments of the Company	21
23 Allocation of Charges	22
24 Taxation	23
25 Reports and Accounts	24
26 Annual General Meeting	24
27 Voting	24
28 Investment and Borrowing Powers	25
29 Transfer of Shares	26
30 Winding Up of the Company	26
31 Other Information	26
32 Strategy for the Exercise of Voting Rights	27
33 Best Execution	27
34 Inducements and Soft Commission	27
35 Risk Management	28
36 General	28
Appendix 1 – Eligible Markets	29
Appendix 2 – Funds Under Management by the ACD	30
Appendix 3 – Investment and Borrowing Powers	32
Appendix 4 – Past Performance	46
Appendix 5 – Directory	47

Important Information

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

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

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

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

The provisions of the Instrument of Incorporation are binding on each of the Shareholders and a copy of the Instrument of Incorporation is available on request from Capita Financial Managers Limited.

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

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

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

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

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"	the Authorised Corporate Director holding office from time to time pursuant to the Regulations being Capita Financial Managers Limited at the date of this Prospectus.
"Act"	the Financial Services and Markets Act 2000.
"Administrator"	Capita Financial Administrators Limited or such other person appointed from time to time to be the administrator of the Company.
"Associate"	any other person whose business or domestic relationship with the ACD or the ACD's associate might reasonably be expected to give rise to a community of interest between them which may involve a conflict of interest in dealings with third parties.
"Auditor(s)"	means Kinetic Partners Audit LLP of One London Wall, Level 10, London, EC2Y 5HB.
"Business Day"	Monday to Friday excluding UK public and bank holidays or any day on which the London Stock Exchange is not open for the normal full duration of its trading hours.
"Company"	means The Castleton Growth Fund.
"Conversion"	the conversion of Shares in one Class to Shares (other than, where available, Hedged Shares) of another Class and "Convert" shall be construed accordingly.
"Dealing Day"	Monday to Friday where these days are Business Days.
"Depository"	BNY Mellon Trust & Depository (UK) Limited being 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.
"Directors"	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.
"Efficient Portfolio Management" or "EPM"	for the purposes of this Prospectus, means an investment technique where derivatives are used for one or more of the following purposes: reduction of risk, reduction of costs or the generation of additional capital or income for the Company with a risk level which is consistent with the risk profile of the Company and the risk diversification rules laid down in COLL.
"FCA"	Financial Conduct Authority, 25 The North Colonnade, Canary Wharf, London E14 5HS.
"Financial Services Register"	the public record, as required by section 347 of the Financial Services and Markets Act 2000 (The public record) of every: <ul style="list-style-type: none"> (a) authorised person; (b) AUT; (c) ICVC; (d) recognised scheme; (e) recognised investment exchange; (f) recognised clearing house; (g) individual to whom a prohibition order relates; (h) approved person; and (i) person within such other class (if any) as the FCA may determine; except as provided by any transitional provisions.
"Home State"	(1) (in relation to a credit institution) the EEA State in which the credit institution has been authorised in accordance with the Banking Consolidation Directive. (2) (in relation to an investment firm): <ul style="list-style-type: none"> (a) where the investment firm is a natural person, the EEA State in which his head office is situated;

- (b) where the investment firm is a legal person, the EEA State in which its registered office is situated or, if under its national law it has no registered office, the EEA State in which its head office is situated.
- (3) (in relation to an insurer with an EEA right) the EEA State in which the registered office of the insurer is situated.
- (4) (in relation to a market) the EEA State in which the registered office of the body which provides trading facilities is situated or, if under its national law it has no registered office, the EEA State in which that body's head office is situated.
- (5) (in relation to a Treaty firm) the EEA State in which its head office is situated, in accordance with paragraph 1 of Schedule 4 to the Act (Treaty rights).

"IOSCO" the International Organisation of Securities Commissions.

"LIBOR" the sterling three-month London Interbank Offered Rate being the primary benchmark or reference rate for short term interest rates. It is the annual rate of interest at which banks and other financial institutions borrow funds from other banks, in marketable size, in the London Interbank market.

Collective Investment Schemes

"Sourcebook" or "COLL" the Collective Investment Schemes Sourcebook issued by the FCA pursuant to the Act, as amended from time to time.

"Net Asset Value" or "NAV" the value of the Scheme Property of the Company less the liabilities of the Company as calculated in accordance with the Instrument of Incorporation

"OEIC Regulations" Open-Ended Investment Companies Regulations 2001.

"Ongoing Charges Figure" or "OCF" a single percentage figure used to show the total annual operating costs taken from the assets of the Company over the year, and based on the figures for the preceding year, including the Annual Management Charge, registration fees, the Depositary's periodic charge, custody fees and the Auditor's fees, but excluding any initial charge, redemption charge, brokerage charges, taxes or other dealing costs incurred in respect of the Company's scheme property;

"OTC" Over-the-counter derivative: a derivative transaction which is not traded on an investment exchange.

"Registrar" Capita Financial Administrators Limited or such other person appointed from time to time to be the registrar of the Company.

"Regulations" the OEIC Regulations and the Collective Investment Schemes Sourcebook.

"The International Tax Compliance Regulations" The International Tax Compliance Regulations – means SI 878/2015 implementing obligations arising under the following agreements and arrangements: European Union Council Directive 2011/16/EU (sometimes known as "the DAC"); the Multilateral Competent Authority Agreement on the Automatic exchange of Financial Account Information signed by the government of the UK on 29th October 2014 in relation to agreements with various jurisdictions to improve international tax compliance based on the standard for automatic exchange of financial account information developed by the Organisation for Economic Co-Operation and Development (sometimes known as "the CRS"); and the agreement reached between the government of the UK and the government of the USA to improve tax compliance (sometimes known as "the FATCA Agreement")

"UCITS Directive" a Council Directive of 20 December 1985 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (as amended).

"UCITS Scheme" a Company authorised by the FCA which complies with the conditions necessary for it to enjoy the rights conferred by the UCITS Directive.

1. Constitution

The Company is an investment company with variable capital incorporated under the OEIC Regulations. It is a UCITS Scheme as defined in COLL. The Company is incorporated in England and Wales with registered number IC000452. The Head Office of the Company is at 40 Dukes Place, London, EC3A 7NH. This is also the address for the service on the Company of notices or other documents required or authorised to be served on it.

The Property attributable to the Company is managed as if such Company belonged to the “UCITS Scheme” category as specified in COLL.

Subject to the terms set out in this Prospectus, holders of shares in the Company are entitled to receive the net income derived from the Company and to redeem their shares at a price linked to the value of the property of the Company. Shareholders do not have any proprietary interest in the underlying assets of the Company. 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 £1,000.

The Company was authorised by an order made by FCA with effect from 16 June 2006. The operation of the Company is governed by the Regulations, the Company’s Instrument of Incorporation and this Prospectus.

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

2. Investment Objectives and Policies

The Company aims to achieve positive returns by combining capital growth with the generation of some income.

The Company will invest in, but is not restricted to, UK and overseas transferable securities, investment trusts, exchange traded funds and units in collective investment schemes. At any one time the portfolio may be concentrated in any one or a combination of such assets as permitted under COLL. The Company may at any one time hold a substantial proportion of its assets in cash, near cash or money market instruments, and in exceptional circumstances, up to 100% of the Scheme Property of this Company may be invested in this way. Accordingly, investors should be aware that the Company might not under such circumstances participate fully in a rise in market values of the asset classes the Company would otherwise invest in.

Subject to the investment objective and policy of the Company as set out above, the asset classes in which the Company is permitted to invest includes transferable securities, units in collective investment schemes, money market instruments, government and public securities, cash and near cash, warrants and deposits as permitted for UCITS schemes and in accordance with the Company’s investment powers as summarised in this Prospectus. The Company may also invest in derivative instruments and forward transactions for the purpose of hedging. This is explained further in section 34 in Appendix 3.

3. Risk Factors

For the avoidance of doubt, The Castleton Growth Fund does not offer any form of guarantee with respect to the investment performance, and no form of capital protection will apply. Investors should bear in mind that all investment carries risk and in particular should be aware of the following:

- a) **Market Risk:** The investments of the Company are subject to normal market fluctuations and other risks inherent in investing in securities. There can be no assurance that any appreciation in the value of investments will occur. The value of investments and the income derived from them may fall as well as rise and investors may not recoup the original amount they invest in the Company. There is no certainty that the investment objective of the Company will actually be achieved and no warranty or representation is given to this effect. The level of any yield for the Company may be subject to fluctuations and is not guaranteed.

The entire market of a particular asset class or geographical sector may fall, having a more pronounced effect on the Company heavily invested in the asset class or region.

- b) **Effect of Initial or Redemption Charge:**

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

The ACD’s initial charge (as set out in section 20 below under the heading “**The Authorised Corporate Director’s Charges**”) is deducted from an investment at the outset and an equivalent rise in the value of the shares is required before the original investment can be recovered.

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

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

- c) **Dilution:** The Company may suffer a reduction in value due to dealing costs incurred when buying and selling investments. To offset this dilution effect the ACD may require the payment of a dilution levy in addition to the price of Shares when bought or as a deduction when sold.
- d) **Suspension of Dealings in Shares:** Investors are reminded that in certain circumstances their right to redeem Shares may be suspended.
- e) **Exchange or Currency Risk:** Funds investing in overseas securities are exposed to, and may hold, currencies other than pounds sterling (GBP). As a result, exchange rate movements may cause the GBP value of investments to decrease or increase.
- f) **Liquidity Risk:** Depending on the types of assets the Company invests in there may be occasions where there is an increased risk that a position cannot be liquidated in a timely manner at a reasonable price.
- g) **Concentration Risk:** Where the Company invests in a concentrated portfolio of assets, short-term volatility could be relatively high which means that should a particular investment decline in value or is adversely affected it may have a more pronounced effect than within a fund with a larger number of investments. The Company may at any one time hold a substantial proportion of its assets in cash, near cash or money market instruments, and in exceptional circumstances, up to 100% of the Scheme Property of this Company may be invested in this way. Accordingly, investors should be aware that the Company might not under such circumstances participate fully in a rise in market values of the asset classes the Company would otherwise invest in.
- h) **Capital Risk:** Charges and expenses attributable to the Company (as set out in section 21 under the heading 'Charges to Income and Capital') may be treated as capital charges. Where charges are taken from Company's capital, this will increase the amount of income available for distribution; however, this will erode capital and may constrain capital growth
- i) **Derivatives:** The Investment Manager may employ derivatives for the purposes of Efficient Portfolio Management (including hedging) with the aim of reducing the risk profile of the fund, reducing costs of generating additional capital or income. To the extent that derivative instruments are utilised for hedging purposes, the risk of loss to the Company may be increased where the value of the derivative instrument and the value of the security or position which it is hedging are insufficiently correlated. For more information in relation to investment in derivatives, please see paragraphs 18 and 19 in Appendix 3.
- j) **Income Risk:** The level of income generated by the Company will fluctuate and is not guaranteed.
- k) **Tax Risk:** Tax laws currently in place may change in the future which could affect the value of a Shareholder's investments. See the section headed 'Taxation' for further details about taxation of the Company.

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

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

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

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

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

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

Though the Company invests in fixed income securities, the portfolio composition may change over time, this means the yield on the fund is not fixed and may go up or down.

- m) **Custody Risk:** There may be a risk of loss where the assets of the Company are held in custody that could result from the insolvency, negligence or fraudulent action of a custodian or sub-custodian.
- n) **Counterparty and Settlement:** The Company will be exposed to a credit risk on parties with whom it trades and will also bear the risk of settlement default.
- o) **Counterparty Risk in OTC Markets:** The ACD on behalf of the Company may enter into transactions in over-the-counter markets, which will expose the Company to the credit of its counterparties and their ability to satisfy the terms of such contracts. For example, the ACD on behalf of the Company may enter into agreements or use other derivative techniques, each of which expose the Company to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of a bankruptcy or insolvency of a counterparty, the Company could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which the Company seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights. There is also a possibility that the above agreements and derivative techniques are terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated. In such circumstances, investors may be unable to cover any losses incurred.
- p) **Investment Trusts:** The Company may invest in investment trusts. These are public limited companies quoted on the London Stock Exchange. The price of their shares depends on supply and demand and may not reflect the value of the underlying assets. It may be higher 'at a premium' or lower 'at a discount'. The discount and premium varies continuously and represents an additional measure of risk and reward. **Gearing** – investment trusts can borrow money, which can then be used to make further investments. In a rising market, this 'gearing' can enhance returns to shareholders. However if the market falls, losses will also be multiplied. The level of gearing needs to be carefully judged and monitored to produce a benefit.
- q) **Warrants:** Whilst warrants may be utilised for the management of investment risk they can also be volatile. A warrant allows, within a subscribed period, the right to apply for shares, debentures, loan stock or government securities from the issuer of the underlying security. A small movement in the price of the underlying security results in a disproportionately large movement, favourable or unfavourable in the price of the warrant. Therefore the larger the Company holding in warrants the larger the risk of volatility.
- r) **Inflation and Interest rates:** The real value of any returns that an investor may receive from the Company could be affected by interest rates and inflation over time.
- s) **Emerging Markets:** Emerging markets tend to be more volatile than more established markets and therefore investments are at greater risk. Risk factors such as local political and economic conditions should also be considered.

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

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

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

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

Accounting, financial reporting standards and disclosure requirements in emerging markets may differ from those in more developed markets and, accordingly, investment possibilities may be difficult to properly assess.

- t) **Smaller Companies:** Investment in smaller companies can be higher risk than investment in well established blue chip companies. Company's investing significantly in smaller companies can be subject to more volatility due to the limited marketability of the underlying asset.
- u) **Investment in Regulated Collective Investment Schemes**

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

Typical Investor

The Company may be marketed to all classes of investor. However, a typical investor will understand and appreciate the risks associated with investing in shares in the Company and will have received advice from an appropriately qualified professional adviser.

4. The Authorised Corporate Director

The authorised corporate director ("**ACD**") of the Company is Capita Financial Managers Limited. The ACD is a private company limited by shares, incorporated in England and Wales on 21 November 1973 under the Companies Act 1985. The registered office of the ACD is at 17 Rochester Row, Westminster, London, SW1P 1QT. The principal place of business of the ACD is 40 Dukes Place, London, EC3A 7NH. The amount of the ACD's issued share capital is £297, 636. Capita Plc, a company incorporated in England and Wales and listed on the London Stock Exchange, is the ultimate holding company of the ACD.

The ACD is authorised and regulated by the FCA. The ACD also acts as Authorised Corporate Director and Manager to those schemes listed in Appendix 2.

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 which in 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:

C. Addenbrooke
N. Boyling
K. Midl
C. Hayes
J. Millan
P. Hugh Smith

The ACD provides its services to the Company under the terms of a service agreement (**the "ACD Agreement"**). The ACD agreement will terminate with immediate effect if the ACD ceases to hold office as such. The ACD Agreement by reason of certain events of default as specified in the ACD Agreement, will terminate on 6 month's 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 negligence, default, breach of duty or trust by 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, default, breach of duty or breach of trust of the ACD.

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

The ACD has, pursuant to the ACD agreement, delegated its administration and registrar functions to Capital Financial Administrators Limited. The ACD's investment management function has been delegated to Barmac Asset Management Ltd to provide investment management services to the ACD. It has also delegated to the Registrar certain functions relating to the register (as further explained in paragraph 9 below).

The ACD may terminate these arrangements with immediate effect if it is in the interests of the shareholders to do so, in accordance with COLL.

5. The Investment Manager

Barmac Asset Management Ltd ("**Barmac**") is the Investment Manager to the ACD in relation to the Company. Barmac is authorised and regulated by the FCA and its principal activity is the provision of discretionary investment management services.

Pursuant to an agreement between Barmac and the ACD, Barmac provides general discretionary investment management services in respect of the Company. Barmac has the authority to make decisions on behalf of the ACD in relation to the Company's investments subject always to the provisions of the Instrument of Incorporation of the Company, this Prospectus, the Regulations and the investment objective and policy of the Company. Subject to instances where the agreement may be terminated with immediate effect in the interests of the shareholders, this arrangement may be terminated by either party giving the other not less than 6 months' written notice or earlier upon the happening of certain specified events.

6. The Depositary

The Depositary of the Company is BNY Mellon Trust & Depositary (UK) Limited (registered no. 3588038), a private company limited by shares incorporated in England and Wales on 25 June 1998. Its ultimate holding company is The Bank of New York Mellon Corporation. Its registered office is at The Bank of New York Mellon Centre, 160 Queen Victoria Street, London EC4V 4LA and its principal place of business is One Canada Square, London E14 5AL. The principal business activity of the Depositary is acting as a trustee and depositary. It is authorised and regulated by the FCA.

The appointment of the Depositary has been made under an agreement between the Company, the ACD and the Depositary, (the "Depositary Agreement").

Subject to the COLL Sourcebook, the Depositary has full power under the Depositary Agreement to delegate (and authorise its delegate to sub-delegate) all or any part of its safekeeping duties as depositary.

The terms of the Depositary Agreement between the Company, the ACD and the Depositary provide that the Depositary be engaged to maintain the safe custody of the Scheme Property and to fulfil other duties required in the Regulations, which include the taking of reasonable care to ensure that the Company is managed in accordance with those parts of the Regulations that concern pricing and dealing in shares of the Company, income and compliance of the Company with its investment and borrowing powers. The Depositary may delegate custody of the Scheme Property to a custodian, which shall itself act as custodian of the Scheme Property, and may include in such appointment powers of sub-delegation. The Depositary shall remain responsible for the safekeeping of the Scheme Property. Pursuant to this arrangement, the Depositary has appointed The Bank of New York Mellon SA/NV, London Branch as custodian of the Scheme Property under a custody agreement dated 1 October 2011.

7. 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.

8. Shares in the Company

Share Classes

One or more classes of share(s) may be created in respect of the Company. The Instrument of Incorporation permits the Company to offer several different classes of share including net income and net accumulation, as well as gross income and accumulation shares. Net shares are shares in respect of which income allocated to them is distributed periodically to the relevant shareholders (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. All references in this Prospectus are to net shares unless otherwise stated.

The current classes of share that may be issued by the Company are described below:

Type and Class of Share	Minimum Investment	Initial Charge	Annual Charge
Retail Income	£1,000 lump sum or £100 per month	5.5%	1.75% plus performance fee
Retail Accumulation	£1,000 lump sum or £100 per month	5.5%	1.75% plus performance fee
Retail Income 2 (formerly Institutional Income)	£1,000 lump sum or £100 per month	5.5%	1.1% plus performance fee
Retail Accumulation 2 (formerly Institutional Accumulation)	£1,000 lump sum or £100 per month	5.5%	1.1% plus performance fee

Further classes of share may be established from time to time by the ACD with the agreement of the Depositary and in accordance with the Instrument of Incorporation and the Regulations.

In order to invest in the shares, the minimum investment requirement (as set out above) must be met. The ACD reserves the right to waive any or all restrictions applicable to investment in the shares at any time.

Each share is deemed to represent one undivided unit of entitlement in the property of the Company.

Any income (net of tax) arising in respect of a share attributable to the Company shall be determined and distributed as summarised on section 18 under the heading "Distribution".

The rights attaching to the shares 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.

9. Register

On behalf of the Company the ACD has also appointed Capita Financial Administrators Limited to act as registrar and to provide fund accounting and other administration services to the Company. A register of shareholders is maintained at the office of the Registrars at 2 The Boulevard, City West One Office Park, Gelderd Road, Leeds LS12 6NT. The register can be inspected by shareholders at this address or alternatively the principal place of business of the ACD during normal office hours.

No certificates will be issued in respect of a holding of 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.

10. Valuations

Each share represents a proportional share of the overall property attributable to the Company. Therefore, the value of a share attributable to the Company is calculated, in broad outline, by calculating the net value of the property attributable to the Company, 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 is 10 a.m. 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 "**Suspension of Dealings**" below). The ACD is required to notify the Depositary if it carries out an additional valuation.

The property attributable to the Company is, for all purposes, valued on the following basis (which is set out in full in the Company's Instrument of Incorporation):

- Units or shares in collective investment schemes will be valued at their quoted price if a single buying and selling price is quoted or if separate bid and offer prices are quoted, the average is calculated by reference to prices before application of any initial or exit charges. Where no price (or no recent price) exists or the ACD considers that the price obtained is unreliable, the asset concerned will be attributed a value which in the ACD's opinion is fair and reasonable.
- Transferable securities will be valued at their quoted price (if a single buying and selling price is quoted) or if separate buying and selling prices are quoted, at the average of the two prices, or if, in the opinion of the ACD, the price is unreliable or no recent traded price is available or if no price exists, at a value which, in the opinion of the ACD, is fair and reasonable.
- Open call options are independently valued at the previous Business Day closing market value unless an event should occur that will have a significant impact on the value, in which case a broker valuation as at the relevant valuation point will be utilised.
- Any other property will be valued at what the ACD considers a fair and reasonable mid-market price.
- Cash and amounts held in current and deposit accounts and other time-related deposits are valued at their nominal value.
- Contingent liability transactions will be valued using a method agreed between the ACD and the Depositary incorporating the following requirements: written options will be valued after deduction of the premium receivable; off-exchange futures will be valued at the net value of closing out; all other contingent liability transactions will be valued at the net value of margin on closing out.
- In valuing assets, any fiscal charges, commissions, professional fees or other charges paid or payable on the acquisition or disposal of the asset are excluded.
- Deductions are made for anticipated tax liabilities and for an estimated amount of other liabilities payable out of the property of the Company and for outstanding borrowings together with accrued but unpaid interest.
- Amounts are added in respect of estimated, recoverable tax and any other amounts due to be paid into the Company, including interest accrued or deemed to accrue.

For the above purposes, instructions given to issue or cancel shares are assumed to have been carried out (and any cash paid or received) and uncompleted arrangements for the unconditional sale or purchase of property are (with certain exceptions) assumed to have been completed and all consequential action taken.

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.

11. Prices of Shares

Shares in the Company are “single priced”. This means that subject to the dilution levy referred to below and the initial charge (explained in section 20 below), 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:

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

Publication of Prices

The prices of shares in the Company will be published daily on the website www.fundlistings.com. Prices can also be obtained by calling the ACD on 0345 608 1451.

12. Dilution Levy

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

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

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

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

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

Based on future projections and on its experience of managing the Company the ACD is unlikely to impose a dilution levy unless it considers that the dealing costs relating to a Shareholder transaction are significant and will have a material impact on the Company.

If a dilution levy is required then, based on future projections, the estimated rate of such a levy would be up to 0.75%. The ACD, in its absolute discretion, may waive or reduce the dilution levy. The ACD may alter its current dilution policy in accordance with the procedure set out in the Regulations.

13. Stamp Duty Reserve Tax

Stamp duty reserve tax (“SDRT”) is payable on the redemption of a share. Redemptions of shares (redemptions for this purpose includes non-exempt transfers of legal or beneficial ownership of shares) may be liable to SDRT of up to 0.5% of the market value of the shares redeemed. The SDRT payable in relation to redemptions in the Company is calculated weekly based on the total value of shares redeemed during that week. The maximum rate of 0.5% payable will be reduced by the proportion of the assets attributable to the Company which are not liable to SDRT and by the ratio of shares issued divided by shares redeemed. This liability to SDRT may be met in one of the following three ways:

- The ACD may pay the SDRT;
- The ACD may charge the SDRT to the Company and include it within the calculation of the share price;
- The ACD may charge an SDRT provision when transactions in shares take place. An SDRT provision is a charge of such amount or at such rate as is determined by the Administrator for which the ACD or ICVC may become liable pursuant to Schedule 19 of the Finance Act 1999 (or any statutory modification or re-enactment of such act) in respect of a redemption of shares within the meaning of that schedule.

In respect of the Company, SDRT will be met by the ACD which will, in turn, charge such sum to the relevant Company which will therefore be included in the calculation of the share price. The maximum charge that will be made is 0.5% of the cancellation price or redemption price of a share. The rate of 0.5% may be reduced if the ACD redeems more shares than it issues or if the Company has holdings in stocks that are exempt from SDRT.

Once such charge is made to the property of the Company, the value of the property of the Company will be reduced. However, the effect of this is unlikely to be significant. The ACD does not currently intend to charge an SDRT provision when transactions in shares take place. Should this intention change in the future, the ACD will notify shareholders as appropriate.

The ACD has decided, at the present time, not to make an SDRT provision but instead to treat SDRT as an additional expense. The ACD does not intend to make any special arrangements for SDRT on large transactions, except as set out below.

SDRT charges arising from non-exempt transactions will also be charged to the appropriate Company. However, there may be circumstances where, in the interests of equity and fairness to all shareholders, the ACD reserves the right to charge the SDRT to the transferee. In this respect, any transfer of shares valued in excess of £15,000 may be subject to this charge.

It is not possible to predict accurately whether a stamp duty payment would be necessary at any point in time.

With effect from 30 March 2014 SDRT will not be chargeable on dealings in shares or units in collective investment schemes.

14. Issue, Redemption and Exchange of Shares

Requests for the purchase, redemption and exchange 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 levy, or deduction of SDRT as applicable) than the price notified to the Depositary in respect of the valuation point concerned.

The ACD is under no obligation to account to the Company or to shareholders or any of them for any profit it makes on the issue of shares or on the reissue or cancellation of shares which it has redeemed from its "box" and will not do so.

Issue

Applications

Applications for shares linked to the Company may be made by any person. 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 valuation point of the Company (see "Valuations" for details of the valuation points) on a dealing day will be issued at a price based on that day's valuation and shares to satisfy an application received after the valuation point, or on a day which is not a dealing day, will be issued at a price based on the valuation made on the next dealing day. "Late Trading" is defined as the acceptance of a subscription, redemption or Conversion order received after the Company's applicable valuation point for that Dealing Day. Late Trading is not permitted.

Applications may be made by completing an application form and delivering it to the ACD at 2 The Boulevard, City West One Office Park, Gelderd Road, Leeds LS12 6NT. Application forms are available from the ACD. Requests to deal in shares may also be made by telephone on each Business Day (at the ACD's discretion) between 8.30 a.m. and 5.30 p.m. (London time) directly to the office of the ACD (telephone: 0345 608 1451 or such other number as published from time to time). Telephone calls will be recorded. The initial purchase must, at the discretion of the ACD, be accompanied by an application form.

The ACD will accept instructions to transfer or renunciation of title to shares on the basis of an authority communicated by electronic means and sent by the shareholder or delivered on their behalf by a person that is authorised by the FCA or regulated in another jurisdiction by an equivalent supervisory authority, subject to:

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

Settlement is due within four Business Days of the Valuation Point. An order for the purchase of Shares will only be deemed to have been accepted by the ACD once it is in receipt of cleared funds for the application. Applicants will not receive title to Shares until cleared funds have been received from the applicant and received by the Company.

For amounts in excess of £50,000, settlement must be made by electronic bank transfer to the bank account detailed on the application form. Otherwise, a cheque should be sent for the net amount, made payable to "Capita Financial Managers Limited", at: 2 The Boulevard, City West One Office Park, Gelderd Road, Leeds LS12 6NT.

The ACD, at its discretion, has the right to cancel a purchase deal if settlement is materially overdue (being more than five Business Days of receipt of an application form or other instruction) and any loss arising on such cancellation shall be the liability of the applicant. In the event of such a sale or realisation, the ACD shall be entitled to transfer such investments to such persons as it shall specify and, recover any shortfall from that investor. The ACD is not obliged to issue Shares unless it has received cleared funds from an investor.

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

A purchase of Shares in writing or by telephone or any other communication media made available is a legally binding contract. Applications to purchase, once made are, except in the case where cancellation rights are applied, irrevocable. For postal applications payment in full must accompany the instruction. At the ACD's discretion, payment for large purchases of Shares may be made by telegraphic transfer.

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

Applications, however made, are irrevocable. Subject to its obligations under COLL, 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.

The Company is subject to the UK Anti-Money Laundering Regulations and the ACD may in its absolute discretion require verification of identity from any person applying for shares (the "**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.

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 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 in 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 Company concerned.

Minimum Purchase

The minimum value of shares which any one person may purchase initially is £1,000. The minimum value of shares which may be the subject of any subsequent purchase is £1,000 or £100 per month. However, the ACD may, by special arrangement and at its discretion, agree on an individual basis a lower amount in relation to the minimum transaction sizes.

Redemption

Shares in the Company may be redeemed on any dealing day. Dealings are on a forward price basis as explained in the paragraph headed "**Issue**" above. Shares to be redeemed pursuant to a redemption request received before the valuation point of the Company on a dealing day will be redeemed at a price based on that day's valuation and 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 delivery to the ACD of written instructions for redemption by letter at 2 The Boulevard, City West One Office Park, Gelderd Road, Leeds LS12 6NT or fax on 0113 224 6001 or by telephoning the ACD on 0345 608 1451 between 8.30 a.m. and 5.30 p.m. on any Business Day. Redemption instructions given by telephone and fax must be confirmed in writing to the ACD prior to redemption proceeds being remitted. Redemption instructions are irrevocable.

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

But 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 issue 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 Anti-Money Laundering Regulations).

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

In Specie Redemption

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

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

Minimum Holding and Redemption

In respect of each class of share in the Company, the minimum holding is £1,000. The ACD may at its sole discretion accept subscriptions and/or holdings lower than the minimum amount(s).

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

15. Conversion Between Classes

Subject to any restrictions on the eligibility of investors for a particular Share Class, a Shareholder may at any time Convert all or some of his Shares of one Class ("the Original Shares") for Shares of another Class ("the New Shares") in the Company. Conversions will be effected by the ACD recording the change of Class on the Register.

If a Shareholder wishes to convert Shares they should apply to the ACD in the same manner as for a redemption.

Conversions will be effected at the next valuation point following receipt of instructions to Convert from a Shareholder.

Conversions will not generally be treated as a disposal for capital gains tax purposes and no stamp duty reserve tax will be payable on the Conversion.

There is currently no charge for Conversions of Shares.

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

Application

A shareholder wishing to exchange 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 Company on a day which is a Dealing Day 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, the exchange will be effected at a price based on the valuation made on the next such Dealing Day.

A contract note giving details of the exchange will be sent on or before the Business Day next following the relevant dealing day.

16. 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 and redemption of Shares in the Company where due to exceptional circumstances it is in the interests of all the Shareholders in the Company.

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

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

The ACD will notify Shareholders as soon as is practicable after the commencement of the suspension, including details of the exceptional circumstances which have led to the suspension, in a clear, fair and not misleading way and giving Shareholders details of how to find further information about the suspension.

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

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

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

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

17. Restrictions and Compulsory Transfer and Redemption

The ACD may from time to time impose such restrictions as it may think necessary for the purpose of ensuring that no Shares are acquired or held by any person in breach of the law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory or which would result in the Company incurring any liability to taxation which the Company is not able to recoup itself or suffering any other adverse consequence. In this connection, the ACD may, inter alia, reject in its discretion any application for the purchase, redemption, or transfer of Shares.

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

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

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

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

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

18. Distribution

The annual accounting period for the Company ends on 30 June (the "**accounting reference date**"). The half-yearly accounting period ends on 31 December (the "**interim accounting reference date**") being the day six months before the accounting reference date.

Allocations and distributions of income will be made on or before 31 August each year (being within two months after the end of the relevant annual accounting reference date).

In relation to income shares, distribution statements and tax certificates will be sent to shareholders. A crossed cheque or warrant 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) or payments may be made by bank automated credit system at the ACD's discretion.

In relation to accumulation shares, income will become part of the capital property of the Company and will be reflected in the price of each accumulation share as at the end of the relevant accounting period.

All distributions made in relation to any income shares which remain 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

As at the end of each annual accounting period, the ACD must arrange for the Depositary to transfer the income payable for distribution attributable to the Company to the distribution account.

In this context, income payable for distribution generally means all sums considered by the ACD, in each case after consultation with the Company's Auditors, to be in the nature of income received or receivable for the account of and in respect of the property attributable to the Company, but excluding any amount (if any) for the time being standing to the credit of the distribution account.

The ACD need not comply with the above provisions if the average of the allocations of income to the shareholders of the Company would be less than £25 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.

On or before each annual income distribution date, the ACD must calculate the amount available for income distribution for the immediately preceding interim accounting period and must inform the Depositary of such amount.

The amount available for income distribution is calculated by taking the aggregate of the income property received or receivable for the account of the Company in respect of the relevant period (including any amount which was not previously distributed to shareholders and not credited to capital because of the de minimis threshold as explained above), deducting the charges and expenses of the Company paid or payable out of the income property in respect of that period and adding the ACD's best estimate of any relief from tax on those charges and expenses. Further adjustments may be made as the ACD considers appropriate (after consultation with the Auditors) in relation to taxation and the proportion of the prices received or paid for shares that relate to income (taking account of any provisions in the Instrument of Incorporation constituting the scheme relating to income equalisation), potential income which is unlikely to be received until 12 months after the relevant allocation date, income which should not be accounted for on an accrual basis because of lack of information about how it accrues, any transfer between the income and the capital account (regarding payments from capital or income) and making any other adjustments which the ACD considers appropriate (after consultation with the Auditors).

On or before each relevant income distribution date, the ACD will instruct the depositary to enable it to distribute the income allocated to income and accumulation shares among the holders of such shares and the ACD in proportion to the number of such shares held, or treated as held, by them respectively at the end of the relevant period.

In calculating the amount to be distributed, the ACD must deduct any amounts previously allocated by way of interim allocation of income for that annual accounting period and deduct and carry forward in the income account such amount as is necessary to adjust the allocation of income to the nearest one hundredth of a penny per share or such lesser fraction as the ACD may determine.

19. Income Equalisation

An allocation of income (whether annual or interim) to be made in respect of each share issued or sold by the ACD during an accounting period in respect of which that income allocation is made may include a capital sum ("**income equalisation**") representing the ACD's best estimate of the amount of income included in the price of that share.

The amount of income equalisation in respect of any share may be the actual amount of income included in the issue price of the share in question or it may be an amount arrived at by taking the aggregate of the ACD's best estimate of the amounts of income included in the share price of shares of that class issued or sold in the annual or interim accounting period in question and dividing that aggregate by the number of those shares and applying the resultant average to each of the shares in question.

20. The Authorised Corporate Director's Charges

Initial Charge

The ACD may impose a charge payable by the shareholder on the issue of shares (the "**initial charge**"). This charge is calculated by reference to the issue price of the shares purchased.

Share Class	Preliminary Charge
Retail Income shares	5.5%
Retail Accumulation shares	5.5%
Retail Income 2 (formerly Institutional Income) shares	5.5%
Retail Accumulation 2 (formerly Institutional Accumulation) shares	5.5%

If at any time the current initial charge applicable to shares of the Company 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 may make a charge on the redemption of Shares in each Class. At present, no redemption charge is levied.

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

Conversion Charge

The ACD does not currently make a charge on conversion between Share classes.

Periodic Charge

In payment for carrying out its duties and responsibilities the ACD is entitled to take an annual fee, the current charge is 1.75% for the Retail share classes and 1.1% for the Retail 2 share classes.

The amount due for each month will be calculated by the ACD based upon the sum of the daily fee calculations in that calendar month. The amount due for each month will be calculated by the ACD at the beginning of the next calendar month. The amount due accrues daily and is payable as soon as practicable and in any event no later than the following calendar month. The ACD may increase the rate of such charge by giving 60 days notice to Shareholders and amending this Prospectus. The ACD is responsible for the payment of the fees of the Investment Manager.

Ongoing Charges Figure

From 1 April 2015, the Investment Manager has agreed on a discretionary basis, to refund an appropriate portion of Company's expenses in respect of all share classes of the Company, with a view that the ongoing charges figure of 2.5% is not exceeded for each share class as set out below:

Fund name and Share Class	Intended OCF
Retail Income	2.5%
Retail Accumulation	2.5%
Retail Income 2 (formerly Institutional Income)	2.5%
Retail Accumulation 2 (formerly Institutional Accumulation)	2.5%

Investors should note that once the Investment Manager ceases this arrangement, the OCF may increase. Investors will be given sixty days' prior notice of this.

Performance Fee

In addition to the annual management charge the ACD is permitted under COLL to pay (to the Investment Manager) a performance fee from Scheme Property. Currently a performance fee is payable in relation to each Class of the Company.

Definitions used in this section of the Prospectus:

"Calculation Period"	refers to either the period commencing with the adoption of the performance fee to 30th June 2007 or each period of twelve months thereafter;
"Basis NAV per share"	means the NAV per share on the last day of a Calculation Period including an accrual for performance fee, less distributed income;
"Benchmark"	means a growth rate of the LIBOR taken on the first day of the calculation period plus 1% per annum;
"NAV per share"	as determined in accordance with the Regulations, the Instrument of Incorporation and this Prospectus, adjusted to ignore any accrual in respect of performance fees;
"Target Price"	the Basis NAV per share at the end of the previous calculation period increased by the Benchmark.

For each Class the performance fee is calculated with reference to the weighted average number of Shares in issue during each Calculation Period. The weighted average number of Shares of each Class is calculated by dividing the total number of Shares in issue in each Class on each day of the applicable Calculation Period by the number of days within that Calculation Period.

In the event of a large subscription or redemption it is possible for the use of the weighted average Shares to produce inequalities between investors. Whilst efforts have been made to minimise potential inequalities through the performance fee calculation methodology, the impact of the performance fee on Shares may differ depending on prior performance during a Calculation Period and on subscriptions and redemptions to the Company during the Calculation Period.

The performance fee is calculated for each period of twelve months starting on 1 July and ending on 30 June (a "Calculation Period"). The performance fee will be calculated at each Valuation Point and accrued daily. The Net Asset Value will be adjusted accordingly to reflect the accrual.

The performance of each Class is compared to the performance of the Benchmark, where the benchmark is the 12 months GBP LIBOR (London Interbank Offered) Rate plus a spread of 1 per cent – i.e. 12-month Sterling LIBOR plus 1%. The benchmark rate is recorded at the end of the last Business Day of the previous calculation period.

For each Calculation Period, the performance fee in respect of each Class will be equal to 20 per cent of the amount by which the Net Asset Value per Share of that Class exceeds the higher of (i) the High Watermark or (ii) the Adjusted High Watermark.

¹ For further information on OCF, please refer to the Key Investor Information Documents

The High Watermark represents the higher of the value of a Share in the Company at which a performance fee was last paid, and the Adjusted High Watermark. The Adjusted High Watermark reflects movements in the value of the Benchmark since the performance fee was last paid. The High Watermark and the Adjusted High Watermark are based on the Net Asset Value per Share after the deduction of a performance fee. The use of the High Watermark and the Adjusted High Watermark is intended to ensure investors do not pay twice for the same increase in the Company's asset value (see below).

Any performance fee will be charged at the Valuation Point on the last Business Day of each Calculation Period and is normally payable to the Investment Manager within 30 days of the end of the Calculation Period.

The performance fee is calculated and paid after consideration of all other payments to be made by Company. The amount of performance fee payable may differ between each Class.

The performance fee is calculated by the Company's administrator. The ACD must approve any performance fee at the end of a Calculation Period, and authorise payment on behalf of the Company. The calculation and payment of the performance fee is overseen by the Depositary.

Neither the ACD nor the Investment Manager shall be required to compensate the Company for a performance fee that has been paid in prior Calculation Periods in the event that the Company performs poorly in subsequent Calculation Periods (that is, there is no "claw-back" of performance fees).

The Net Asset Value per Share on the last Business Day of each Calculation Period shall be the initial value for the subsequent Calculation Period.

The performance fee is calculated by reference to the Benchmark, the High Watermark and the Adjusted High Watermark. There is no upper limit to the performance fee as future performance cannot be quantified.

Protection provided by the High Watermark and the Adjusted High Watermark

It is important to ensure that the Investment Manager is not rewarded twice for achieving the same cumulative performance of the Company. The use of the High Watermark guards against this as it ensures investors will not be charged a performance fee until any previous losses are recovered (subject to the option to reset the High Watermark and Adjusted High Watermark as set out below).

The use of the Adjusted High Watermark ensures that the cumulative performance of the Benchmark is taken into account as well as the Company's performance since the performance fee was last paid.

The use of the High Watermark and the Adjusted High Watermark is illustrated in the example below.

Any change to the performance fee or the Benchmark by the ACD will be made in compliance with COLL.

Option to reset the High Watermark and the Adjusted High Watermark

In order to prevent the Investment Manager from being unreasonably penalised in the event of a sharp fall in the markets the Investment Manager will have the option to request that the ACD consider resetting both the High Watermark and the Adjusted High Watermark.

The option to request the reset of the High Watermark and the Adjusted High Watermark will be available to the Investment Manager at the end of a Calculation Period, providing the NAV has declined by more than 30% during that Calculation Period.

The request to reset the High Watermark and the Adjusted High Watermark will need to be approved by both the ACD and the Depositary.

The High Watermark and the Adjusted High Watermark will be reset in line with the Net Asset Value of the Company at the end of the Calculation Period.

If the ACD decides to reset the High Watermark and the Adjusted High Watermark, it will notify investors 30 days in advance, to give them an opportunity to exit the Company by redeeming their Shares.

Summary

A performance fee will be paid when a Share Class exceeds the higher of the High Watermark (which represents the higher of the Adjusted High Watermark and the value of a Share at which a performance fee was last paid), and the Adjusted High Watermark (which reflects the level of the Benchmark since the performance fee was last paid).

The performance fee will be equal to 20 per cent of the amount by which the Net Asset Value per Share exceeds the higher of (i) the High Watermark; or (ii) the Adjusted High Watermark.

The performance fee is calculated by reference to the Benchmark, the High Watermark and the Adjusted High Watermark. There is no upper limit to the performance fee as future performance cannot be quantified. Further details on the calculation method are available on request to the ACD

Illustrative Example

Table 1

	Calculation Period	Fund pre-Performance Fee NAV	Fund Performance	Libor + Spread	Benchmark Performance	High Watermark at start of Period	Adjusted High Watermark at End of Period	Performance Fee Paid (20% of Out performance)	Fund Post Performance Fee NAV
Start Period 1	1	100.00							
End Period 1	1	110.00	10.00%	3.00%	103.00	100.00	103.00	1.40	108.60
Start Period 2	2	108.60							
End Period 2	2	108.60	0.00%	3.00%	111.86	108.60	111.86	0.00	108.60
Start Period 3	3	108.60							
End Period 3	3	125.00	15.10%	3.00%	115.21	111.86	115.21	1.96	123.04
Start Period 4	4	123.04							
End Period 4	4	115.00	-6.54%	3.00%	126.73	123.04	126.73	0.00	115.00
Start Period 5	5	115.00							
End Period 5	5	135.00	17.39%	3.00%	130.54	126.73	130.54	0.89	134.11
Total								4.25	

Explanation of Table 1

- At the start of Period 1 the High Watermark and the Adjusted High Watermark are equal to the initial Net Asset Value of the Company. The Company outperforms the Benchmark by 7% $((110 - 103)/100)$, and a performance fee of 1.40 is paid based on 20% of the Company's outperformance of the High Watermark and the Adjusted High Watermark $(20\% * (110 - 103))$.
- As a performance fee was paid on the last Business Day of the previous Calculation period, the High Watermark is now set at the Net Asset Value of the Company minus the performance fee of 1.40 in the immediately preceding Calculation Period $(110 - 1.40 = 108.60)$. The Adjusted High Watermark is increased by 3% $(108.60 * 1.03 = 111.86)$ in line with the performance of the Benchmark in this Calculation Period. As the Company underperformed the Benchmark no performance fee is payable.
- As no performance fee was paid in the immediately preceding Calculation Period the High Watermark is simply set to the value of the Adjusted High Watermark in the last period. The Adjusted High Watermark is increased by 3% $(111.86 * 1.03 = 115.21)$ in line with the performance of the Benchmark in this Calculation Period. As the Company outperformed the Benchmark and the Company NAV exceeded the Adjusted High Watermark, a performance fee is paid on the difference between the Company NAV and the adjusted High Watermark $(20\% * (125 - 115.21) = 1.96)$.
- As a performance fee was paid in the previous period, the High Watermark is now set at the Net Asset Value of the Company minus the performance fee of 1.96 in the immediately preceding Calculation Period $(125 - 1.96 = 123.04)$. The Adjusted High Watermark is increased by 3% $(123.04 * 1.03 = 126.73)$ in line with the performance of the Benchmark in this Calculation Period. As the Company underperformed the Benchmark no performance fee is payable.
- As no performance fee was paid in the immediately preceding Calculation Period the High Watermark is simply set to the value of the Adjusted High Watermark in the last period. The Adjusted High Watermark is increased by 3% $(126.73 * 1.03 = 130.54)$ in line with the performance of the Benchmark in this Calculation Period. As the Company outperformed the Benchmark and the Company NAV exceeded the Adjusted High Watermark, a performance fee is paid on the difference between the Company NAV and the Adjusted High Watermark $(20\% * (135 - 130.54) = 0.89)$.

Summary of illustrative worked examples in table 1

The table below illustrates the key features of the calculations shown above:

Table 2

Calculation Period	NAV at period end increased	Benchmark at period end increased	Company outperformed Benchmark	High Watermark changed	Adjusted High Watermark changed	High Watermark at the start of the period exceeds or is equal to the Adjusted High Watermark at the end of the previous period	Performance fee paid
1	Y	Y	Y	Y	Y	Y	Y
2	N	Y	N	Y	Y	Y	N
3	Y	Y	Y	Y	Y	Y	Y
4	N	Y	N	Y	Y	Y	N
5	Y	Y	Y	Y	Y	Y	Y

Explanation of Table 2

The table above summarises the scenario analysis shown in Table 1. As can be seen from the table above the High Watermark is based on higher of the Net Asset Value of the Company or the Adjusted High Watermark and is set at the start of the Calculation Period. The Adjusted High Watermark is based on an adjustment to the High Watermark in line with the Benchmark performance in the Calculation Period under consideration. A performance fee is only paid if the Company outperforms the Benchmark and is based on the performance in excess of the higher of (i) the Benchmark; and (ii) the High Watermark or (iii) the Adjusted High Watermark in a Calculation Period.

Any change to the performance fee rate or basis on which it is calculated will require prior notice to all shareholders of the relevant share classes of the Company of not less than 60 days before the new rate or basis may commence. The prospectus will also be revised at such time.

Charges and Other Expenses

The Company may reimburse certain expenses incurred by the ACD. These expenses include payment for the provision of registration services and fees for the provision of other administrative services including accounting and tax compliance services.

- The current rate of registration service charge is an amount equal to 0.03% of the net asset value of the Company subject to a minimum of £1,500 and a maximum of £100,000 per annum and £9.50 per shareholder transaction subject to a minimum annual charge of £3,500. Such fee is payable monthly and is accrued daily in arrears by reference to the Net Asset Value of the Company on the immediately preceding Dealing Day
- The current charge for tax compliance services is £1,000 per annum.
- The current rate of accounting service charge for the Company is a basic cost of £32,500 per annum plus 0.2% of net asset value over £12.5 million as calculated monthly and paid in arrears. This is subject always to the ACD receiving a minimum of £60,000 per annum.

Any increase up to the maximum requires prior notice to shareholders of not less than 60 days before the increase may take effect. The Prospectus will also be revised to reflect the new rate and the date of its commencement

Investment Manager

The ACD discharges (or will discharge) at its own expense the fees of the Investment Manager for its services in relation to the Company.

Charges to Income and Capital

The ACD has agreed with the Depositary that, except as mentioned below, all charges, costs and expenses (including the ACD's periodic charge and its expenses and the Depositary's fees, charges and expenses) attributable to the Company will be charged to income. The cost of investment transactions and the SDRT charge referred to in Section 14 ("Stamp Duty Reserve Tax") will be wholly charged to capital which may constrain capital growth.

21. The Fees, Charges and Expenses of the Depositary

The Depositary receives for its own account a periodic fee which will be accrued daily and payable monthly in respect of each calendar month and is payable as soon as practicable after the month end. The fee is calculated by reference to the value of the Company on the last valuation day of the preceding month and is payable out of the property attributable to the Company. The rate of the periodic fee is agreed between the ACD and the Depositary from time to time and the current agreed periodic fee is 0.03% for the first £100 million of the value of the Company per annum, 0.0175% for the next £50 million of the value of the Company and 0.01% thereafter, subject to a minimum fee of £5,000 per annum. The first accrual in relation to the Company will take place in respect of the period from the day on which the first valuation of the Company is made to that month end and will be calculated based upon the first valuation point. Any increase will normally only be permitted after 60 days notice has been given to all shareholders and the Prospectus has been revised to reflect the new current rate and date of its commencement.

Separately, the Depositary receives a custody fee which accrues on the same basis as its periodic fee. Custody charges vary from country to country, the current remuneration ranges from between 0.00225% and 0.675% per annum of the value of the Scheme Property, plus VAT (if any) calculated at an ad valorem rate depending on the markets and the value of stock involved.

In addition the Depositary also receives transaction charges which vary from country to country, the current range of transaction charges is between £4 and £67.50 per transaction plus VAT (if any) depending on the markets and the value of stock involved and accrue at the time the transactions are effected.

Any increase in the custody fees, transaction charges or minimum fees will normally only be permitted after 60 days notice has been given to all shareholders and the Prospectus has been revised to reflect the new current rate and date of its commencement.

In addition to the fees and charges payable to the Depositary referred to above, the Depositary is entitled to be reimbursed out of the property attributable to the Company for expenses incurred in the proper performance of its duties (or the exercise of powers conferred upon it by the OEIC Regulations or COLL) referable to (but not limited to): (i) the maintenance of distribution accounts; (ii) the conversion of foreign currency; (iii) registration of assets in the name of the Depositary or its nominees or agents; (iv) borrowings, stocklending or other permitted transactions; (v) communications with any parties (including facsimile and SWIFT); (vi) taxation matters; (vii) insurance matters; and (viii) dealings in derivatives.

The Depositary will also be reimbursed by the Company out of the property attributable to the Company, expenses properly incurred in the performance of, or arranging the performance of, functions conferred on it by the Depositary Agreement, the Regulations or by the general law.

The amount or rate of any of the Depositary's fees and charges referred to above shall (unless otherwise stated) be determined by reference to the scale or tariff or other basis from time to time agreed between the ACD and the Depositary and notified to the ACD by the Depositary.

The Depositary shall be entitled to recover its fees, charges and expenses when the relevant transaction or other dealing is effected or relevant service is provided or as may otherwise be agreed between the Depositary and the Company or the ACD.

On a winding up of the Company or the redemption of a class of shares, the Depositary will be entitled to its pro rata fees, charges and expenses to the date of the commencement of the winding up the termination or the redemption (as appropriate) and any additional expenses necessarily realised in settling or receiving any outstanding obligations. No compensation for loss of office is provided for in the agreement with the Depositary.

Any VAT on any fees, charges or expenses payable to the Depositary will be added to such fees, charges or expenses and will be payable by the Company.

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 COLL by the Depositary.

22. Other Payments of the Company

The following expenses (being the actual amounts incurred) may also be payable by the Company out of its assets at the discretion of the ACD:

- broker's commissions, fiscal charges (including stamp duty and/or stamp duty reserve tax) and other disbursements which are necessarily incurred in effecting transactions for the Company and normally shown on contract notes, confirmation notes and difference accounts as appropriate;
- any costs incurred in acquiring and disposing of investments;
- interest on and other charges relating to permitted borrowings, including negotiating or varying the terms of such borrowings;
- taxation and other duties payable by the Company or the issue or redemption of shares;
- any costs incurred in amending the Instrument of Incorporation including the removal of obsolete provisions;
- any costs incurred in respect of any meeting of shareholders convened for any purpose;

- any fees in relation to a unitisation, amalgamation or reconstruction where the property of a body corporate (such as an investment fund) or of another collective investment scheme is transferred to the Company in consideration for the issue of shares in the Company to shareholders in that body corporate or to participation in that other scheme, and liability arising in 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;
- any audit fee (including VAT) and any proper expenses of the Auditor;
- any fee and any proper expenses of any legal or other professional advisers retained by the Company or by the ACD in relation to the Company;
- any costs of printing and distributing annual, half yearly and quarterly reports and prospectus (in so far as it does not incorporate the Key Investor Information Document), including the costs incurred as a result of periodic updates of any such prospectus provided for shareholders;
- any costs of preparing the Key Investor Information Document;
- any payments otherwise due by virtue of a change in the Regulations;
- any payments permitted under COLL 6.7.15R;
- any costs of establishing the Company;
- any costs of listing the prices of the Company in publication and information services selected by the ACD including the Financial Times;
- any fees and expenses in respect of establishing and maintaining the register of shareholders and any sub-register of shareholders which are kept for the purpose of administration of Personal Equity Plans and Individual Savings Accounts, as detailed in the "Charges and Other Expenses" section of this Prospectus;
- any costs incurred in producing and despatching any payment made by the Company;
- any costs incurred in taking out and maintaining an insurance policy in relation to the Company;
- the periodic fees of the FCA together with any corresponding periodic fees of any regulatory authority in a country or territory outside the United Kingdom in which shares in the Company are or may be marketed;
- any expense incurred with respect to the publication and circulation of details of the Net Asset Value of the Company;
- any expense incurred in relation to company secretarial duties including the cost of maintenance of minute books and other documentation required to be maintained by the Company;
- any costs associated with the admission of shares to listings on any stock exchange and with the maintenance of that listing (including, for the avoidance of doubt, the fees levied by the exchange in question as a condition of the admission to listing of the shares and the periodic renewal of that listing), any offer of shares, including the preparation and printing of any prospectus and the creation, conversion and cancellation of shares associated with such prospectus;

VAT on any fees, charges or expenses will be added to such fees, charges or expenses and will be payable by the Company.

23. Allocation of Charges

Allocation of Charges:	Income	Capital
AMC:	100%	
Ongoing Operating Costs:	100%	
Dealing and Registration:	100%	
Performance Fee:	100%	
Depositary:	100%	
Custody:	100%	
Portfolio Transactions (SDRT, Broker's commission etc):		100%

Ongoing Charges Figure

From 1 April 2015, the Investment Manager has agreed on a discretionary basis, to refund an appropriate portion of Company's expenses in respect of all share classes of the Company, with a view that the ongoing charges figure of 2.5% is not exceeded for each share class as set out below:

²For further information on OCF, please refer to the Key Investor Information Documents

Fund name and Share Class	Intended OCF
Retail Income	2.5%
Retail Accumulation	2.5%
Retail Income 2 (formerly Institutional Income)	2.5%
Retail Accumulation 2 (formerly Institutional Accumulation)	2.5%

Investors should note that once the Investment Manager ceases this arrangement, the OCF may increase. Investors will be given sixty days' prior notice of this.

24. Taxation

General

The information below is a general guide based on current United Kingdom law and HM Revenue & Customs practice, all of which are subject to change. It summarises the tax position of the Company and of investors who are United Kingdom resident individuals and hold Shares as investments. The regime for taxation of income and capital gains received by individual investors depends on the tax law applicable to their personal circumstances and or the place where the Scheme Property is invested. 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

The Company is generally exempt from United Kingdom tax on capital gains realised on the disposal of its investments (including interest-paying securities and derivatives) held within it. However, any gains realised on holdings in non-reporting offshore funds are charged to tax as income and not capital.

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

The Company will make dividend distributions except where more than 60% of its property has been invested throughout the distribution period in interest-paying investments, in which case it may make interest distributions.

Shareholders

Income

The Company will pay dividend distributions (which will be automatically retained in the Company in the case of accumulation Shares) with a tax credit. Individuals liable to income tax at the basic rate will have no further liability to tax. Higher and additional rate taxpayers will have a further income tax liability on the amount received. The tax credit on dividend distributions cannot be reclaimed.

Interest

Where the Company pays an interest distribution (which will be automatically retained in the Company in the case of accumulation Shares) this will be net of the basic rate of tax. Non-taxpayers may reclaim the tax credits on interest distributions paid, and starting rate (on savings income) taxpayers may reclaim part of them. Higher and additional rate taxpayers will have a further income tax liability on the amount received.

Income equalisation

The first income allocation received by an investor after buying Shares may include an amount of income equalisation, which will be shown on the issued tax voucher. This is effectively a repayment of the income equalisation paid by the 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.

Tax Vouchers

A tax voucher will be issued in line with the income distribution dates set out in paragraph 18. This voucher should be retained for tax purposes as evidence for HM Revenue & Customs.

The ACD reserves the right to charge an administration fee of £10 if a duplicate copy is required. To obtain a duplicate copy you will need to submit your request in writing, along with payment, to Capita Financial Managers Limited, Distributions Team, 2, The Boulevard, City West One Office Park, Gelderd Road, Leeds LS12 6NT.

Capital Gains

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

An exchange of Shares between classes within the Company is generally not treated as a disposal for this purpose.

EU Savings Directive

Under the EU Council Directive on taxation of savings income member states of the European Union (“Member States”) and certain dependent territories are required to report to the tax authorities of other Member States details of payments of interest and other similar income from certain types of collective investment funds (which may include income arising as a result of the sale and redemption of the fund’s shares) paid by a person who is a “paying agent” for the purposes of the Directive to an individual resident for the purposes of the Directive in another Member State. However, a number of Member States and dependent territories instead impose a system of withholding tax as an alternative to reporting.

The International Tax Compliance Regulations

The Company is required to comply with The International Tax Compliance Regulations. The regulations transpose into UK law rules and obligations derived from European Union law and inter-governmental agreements entered into by the UK which are aimed at increasing transparency and reducing tax evasion.

To be compliant with these regulations the Company must collect information about each investor’s tax residence and in certain circumstances provide information about investors’ Shareholdings to HM Revenue & Customs (HMRC). HMRC may in turn share this information with overseas tax authorities.

Failure to comply with these tax regulations may result in penalties being imposed on the Company and, in the case of non-compliance with the rules relating to information sharing with the United States authorities, in the imposition of a 30% withholding tax on income due to the Company from investments and sales proceeds originating from the US.

Therefore, where an investor fails to provide the information required by the Company to comply with its obligations to HMRC this may result in the ACD taking appropriate action against the Shareholder, including invoking the compulsory transfer and redemption provisions set out in paragraph 17.

The ACD intends to procure compliance with the regulations but cannot give an assurance that this will be achieved.

The underlying laws and agreements are a complex area of tax law and investors should consult their professional advisers on the implications these rules may have for them.

Individual Savings Account (‘ISA’)

Shares attributable to the Company will be eligible for inclusion within a stocks and shares component of an ISA.

General

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

25. Reports and Accounts

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

The annual report of the Company (the “**long report**”) will be available on or before the end of October and the half-yearly long report on or before the end of February in each year. Copies of these long reports may be inspected at, and copies obtained free of charge from the ACD at its principal place of business.

The ACD will issue short reports in relation to the Company both half yearly and annually. These will be distributed to shareholders free of charge before the end of October and February each year.

Allocations of Income will be made on 31 August in each year.

26. Annual General Meeting

The OEIC Regulations allows for the Company to dispense with the requirement to hold Annual General Meetings. The ACD has therefore decided the Company will no longer hold Annual General Meetings. All resolutions will be voted upon at an Extraordinary General Meeting.

27. Voting

Shareholders will receive at least 14 days’ notice of a general meeting. 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.

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.

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 half an hour 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.

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 of the shareholders (or, where applicable, class of shareholders) for any proposed change to the Company which in accordance with COLL, is a fundamental change. Such a fundamental change is likely to include:

- certain changes to the investment objectives and policy of the Company;
- the removal of the ACD;
- any proposal for a scheme of arrangement.

In certain cases (for example, the approval of changes to the investment objectives of a Company) 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, is required.

Other provisions of the Company's Instrument of Incorporation and the Prospectus may be changed by the ACD without the sanction of a shareholders' meeting in accordance with the COLL.

Class Rights

The rights attached to a class of shares may only be varied with the sanction of a resolution passed at a class meeting of the holders of the classes concerned. The provisions about notice and conduct of meetings summarised above will apply, with the necessary alterations, to class meetings.

Changes to the Instrument of Incorporation which relate only to a particular class or classes of shares and do not prejudice shareholders of any other class may, subject to certain exceptions, be made by an extraordinary resolution passed at a class meeting or class meetings of the holders of the class of shares concerned.

28. Investment and Borrowing Powers

For details of the investment and borrowing powers of the Company please see Appendix 3 of this Prospectus.

29. Transfer of Shares

A shareholder is entitled (subject to 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. 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.

30. Winding Up of the Company

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. Winding up of the Company 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 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 will be wound up or terminated (as appropriate) under COLL:

- if an extraordinary resolution of shareholders of the Company to that effect is passed; or
- 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 the Company.

The winding up of the Company under COLL is carried out by the ACD which will, as soon as practicable, cause the property of the Company 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 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 Company will be made to the holders of shares in proportion to the units of entitlement in the property of the Company which their shares represent.

Shareholders will be notified of any proposal to wind up the Company. 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 of 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.

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

31. Other Information

Delegation

The ACD and the Depositary, subject to exceptions specified in the 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 the COLL apply.

Conflicts of Interest

The ACD, the Investment Manager and other companies within the ACD's and/or the Investment Manager's group may, from time to time, act as investment manager or advisers to other funds or sub-funds which follow similar investment objectives to those of the Sub-funds. It is therefore possible that the ACD and/or the Investment Manager may in the course of their business have potential conflicts of interest with the Company or a particular Sub-fund or that a conflict exists between the Company and other funds managed by the ACD. Each of the ACD and the Investment Manager will, however, have regard in such event to its obligations under the ACD Agreement and the Investment Management Agreement respectively and, in particular, to its obligation to act in the best interests of the Company so far as practicable, having regard to its obligations to other clients, when undertaking any investment business where potential conflicts of interest may arise. Where a conflict of interest cannot be avoided, the ACD and the Investment Manager will ensure that the Company and other collective investment schemes it manages are fairly treated.

The ACD acknowledges that there may be some situations where the organisational or administrative arrangements in place for the management of conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of the Company or its shareholders will be prevented. Should any such situations arise the ACD will disclose these to shareholders in the report and accounts or otherwise in an appropriate format.

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

Details of the ACD's conflicts of interest policy are available on its website at: www.capitafinancial.co.uk.

Liability and Indemnity

With the exception mentioned below:

- The ACD, the Depositary and the Auditors are each entitled under the Instrument of Incorporation of the Company to be indemnified against any loss, damage or liability incurred by them in or about the execution of their respective powers and duties in relation to the Company; and
- the ACD and the Depositary are, under the terms of their respective agreements with the Company, exempted from any liability for any loss or damage suffered by the Company.

The above provisions will not, however, apply in the case of:

- any liability which would otherwise attach to the ACD or the Auditors in respect of any negligence, default, breach of duty or breach of trust in relation to the Company;
- any liability on the part of the Depositary for any failure to exercise due care and diligence in the discharge of its functions.

32. Strategy for the Exercise of Voting Rights

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

33. Best Execution

The ACD's order execution policy sets out the factors which the ACD expects the Investment Manager to consider when effecting transactions and placing orders in relation to the Company. This policy has been developed in accordance with the ACD's obligations under the Regulations to obtain the best possible result for the Company.

Details of the order execution policy are available on the ACD's website at www.capitafinancial.co.uk.

34. Inducements and Soft Commission

Where Shares in the Company are sold to retail investors who employ the services of a financial adviser the ACD may make commission payments to those financial advisers as follows:

- initial sales commission for the Company, paid out of the initial charge; and/or
- ongoing commission payments based on the value of the investor's holding.

The ACD may from time to time accept cash and non-monetary benefits from suppliers to the Company or funds of fund management services in accordance with the FCA Rules. The ACD is not obliged to account to the Company or to the Shareholders for these payments.

The Investment Manager, in addition to the fee paid to the Investment Manager by the ACD out of its remuneration received each month from the Company, is also entitled to receive commission paid by the ACD in respect of investment in the Company by its clients.

The provision of benefits described above will not result in any additional cost to the Company or the funds.

The ACD will make disclosures to the Company in relation to inducements as required under the FCA Rules.

Further details of any such inducements may be obtained on request from the ACD.

35. Risk Management

The Manager will provide upon the request of a Unitholder further information relating to:

- 35.1 the quantitative limits applying in the risk management of the Trust;
- 35.2 the methods used in relation to 35.1; and
- 35.3 any recent development of the risk and yields of the main categories of investment.

36. General

Complaints may be brought in writing to Capita Financial Managers Limited, 2 The Boulevard, City West One Office Park, Gelderd Road, Leeds LS12 6NT, or by email to investorservices@capita.co.uk or by telephone to 03459 220 044.

In the event that an unsatisfactory response is provided, you can refer your complaint to the Financial Ombudsman Service at:

Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London
E14 9SR

Please note that a copy of the ACD's Guide to making a complaint is available upon request.

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. All documents and remittances are sent at the risk of the shareholder.

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

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 you with further details of the scheme on written request to its operating address. Alternatively, you can visit the scheme's website at www.fscs.org.uk or by writing to the Financial Services Compensation Scheme, 7th Floor, Lloyds Chambers, Portsoken Street, London E1 8BN.

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.

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 2 The Boulevard, City West One Office Park, Gelderd Road, Leeds LS12 6NT:

- Latest version of the Prospectus and Key Investor Information Document;
- Latest version of the Instrument of Incorporation which constitutes the Company;
- Latest annual and half-yearly long reports applying to the Company;
- Supplementary information relating to the quantitative limits which apply to the risk management of the Company, the methods used for the purposes of such risk management and any recent developments which relate to the risk and yields of the main categories of investment which apply to the Company; and
- 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.

This Prospectus

This Prospectus describes the constitution and operation of the Company at the date of this Prospectus. 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 herein this Prospectus will be revised. Investors should check with the ACD that this is the latest version and that there have been no revisions or updates.

Appendix 1

Eligible Markets

Set out below are the securities markets through which the Company may invest or deal in approved securities on account of the Company (subject to the investment objective and policy of each fund):

- a) a “regulated market” as defined in COLL;
- b) a securities market established in any EEA State 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	Australian Securities Exchange (ASX)
Canada	Toronto Stock Exchange (TSX)
Hong Kong	Hong Kong Exchange
Japan	Tokyo Stock Exchange
New Zealand	New Zealand Exchange (NZX)
The United States of America	New York Stock Exchange (NYSE) The NASDAQ Stock Market (NASDAQ)

The alternative investment market (AIM) of the International Stock Exchange of the United Kingdom and the Republic of Ireland Limited is also an eligible securities market for the purposes of the Company.

Eligible Derivatives Markets:

Set out below are the derivatives markets through which the Company may deal (subject to the Instrument of Incorporation of the Company, this Prospectus and COLL as it applies to UCITS schemes):

Country	Market
Japan	Tokyo Stock Exchange
UK	The London International Financial Futures and Options Exchange (NYSE LIFFE)
The United States of America	Chicago Mercantile Exchange

Appendix 2

Funds Under Management by the ACD

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

Asperior Investment Funds	CF UK Fund
Astraea Investment Funds	CF Waverton Investment Funds
Celestial Investment Funds	CF Wolos Investment Funds
CF Arch Cru Investment Funds	CF Woodford Investment Fund
CF Arch Cru Diversified Funds	CF Zenith St Andrews Fund
CF Asset Value Investors Global Fund	Gresham Defined Funds
CF Bentley Investment Funds	Luscinia Investments Funds
CF Canada Life Investments Fund	Packel Global Fund
CF Canada Life Investments Fund II	PE Managed Fund
CF Cautela Fund	Purissima Investment Funds
CF Danske Fund	Resilient Investment Funds
CF DSMCP Investment Funds	Sheldon Investment Funds
CF Eclectica Funds	The Abbotsford Fund
CF Heartwood Multi Asset Funds	The Arbor Fund
CF IM Investment Funds	The Broden Fund
CF J.M. Finn Investment Funds	The Castleton Growth Fund
CF KB Invicta Fund	The CF Waverton Managed Investment Fund
CF KB Tully Fund	The Circus Fund
CF Lindsell Train UK Equity Fund	The Cranmer Investment Fund
CF Luna Investment Funds	The Davids Fund
CF Macquarie Investment Funds	The Gulland Fund
CF Miton Investment Funds	The Helm Investment Fund
CF Miton Investment Funds 3	The MN Fund
CF Miton Total Return Fund	The Monoux Fund
CF Miton Worldwide Opportunities Fund	The Mulberry Fund
CF Morant Wright Japan Fund	The Navajo Fund
CF Morant Wright Nippon Yield Fund	The New Floco Fund
CF Odey Funds	The New Grande Motte Fund
CF Odey Investment Funds	The New Jaguar Fund
CF Odey Wealth UK	The New Viaduct Fund
CF Prudential Investment Funds (1)	The OHP Fund
CF Richmond Core Fund	The Primrose Fund
CF Richmond Funds	The Steelback Fund
CF Robin Fund	The Tasman Fund
CF Ruffer Investment Funds	Trojan Investment Funds
CF Seneca Investment Funds	Windrush Fund
CF TY Investment Funds	Wood Street Micro Cap Investment Fund

The ACD acts as Manager of the following Authorised Unit Trusts:

CF Adam Worldwide Fund
CF Canlife Balanced Unit Trust
CF Canlife European Unit Trust
CF Canlife General Unit Trust
CF Canlife Gilt & Fixed Interest Unit Trust
CF Canlife Growth Units
CF Canlife Japanese Growth Unit Trust
CF Catalyst Trust
CF Greenmount Fund
CF Institutional World Fund
CF KB Feelgood Trust
CF KB Ramogan Trust
CF Lacom World Fund
CF New Villture Fund
CF Prudential Pacific Markets Trust
CF Stewart Ivory Investment Markets Fund
CF Walker Crips Global Growth Trust
CF Walker Crips Select Income Trust
Lorimer Trust
The Beaver Trust
The CF Prudential Qualified Investor Scheme Umbrella Unit Trust
The Drygate Trust
The Holly Fund
The Mermaid Trust
The Newgate Trust

Appendix 3

Investment and Borrowing Powers

1. General rules of investment

The Company may exercise the full authority and powers permitted by COLL applicable to a UCITS scheme. However, this is subject to the applicable investment limits and restrictions set out in Chapter 5 of COLL ("COLL 5"), the Company's Instrument of Incorporation, this Prospectus and the Company's investment objective and policy.

Save for any investment acquired for the purposes of a hedging transaction (referred to in more detail below), the property of the Company may not include any investment to which a liability (whether actual or contingent) is attached unless the maximum amount of such liability is ascertained at the time when such investment is acquired for the account of the Company.

In accordance with the investment policy of the Company, the Company shall invest in, but is not restricted to, transferable securities, investment trusts, units in collective investment schemes and exchanged traded funds. The capital property attributable to the Company is required to consist of such investments although investment in other asset classes is permitted as set out in COLL as it applies to UCITS schemes and as set out below. Cash or near cash may be held for liquidity purposes or for the efficient management of the Company, from time to time the Company may have a higher than usual level of liquidity if the ACD considers that to be in the interest of the shareholders.

1.1 Prudent spread of risk

The ACD must ensure that, taking account of the investment objective and policy of the Company, the scheme property aims to provide a prudent spread of risk.

1.2 Cover

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

1.2.2 Where a rule in COLL 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 Company 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.

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

2. UCITS Schemes – general

2.1 Subject to the investment objective and policy of the Company and the restrictions set out in this Prospectus, the scheme property must, except where otherwise provided in COLL 5, only consist of any or all of:

2.1.1 transferable securities;

2.1.2 approved money-market instruments;

2.1.3 permitted derivatives and forward transactions;

2.1.4 permitted deposits; and

2.1.5 permitted units in collective investments schemes.

3. Transferable Securities

3.1 A transferable security is an investment falling within article 76 (shares etc), article 77 (instruments creating or acknowledging indebtedness), article 77A (alternative debentures), article 78 (government and public securities), article 79 (instruments giving entitlement to investments) and article 80 (certificates representing certain securities) of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544) (the "Regulated Activities Order").

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

- 3.3 In applying paragraph 3.2 of this Appendix to an investment which is issued by a body corporate, and which is an investment falling within articles 76 (shares, etc) or 77 (instruments creating or acknowledging indebtedness) of the Regulated Activities Order, the need for any consent on the part of the body corporate or any members or debenture holders of it may be ignored.
- 3.4 An investment is not a transferable security unless the liability of the holder of it to contribute to the debts of the issuer is limited to any amount for the time being unpaid by the holder of it in respect of the investment.
- 3.5 The Company may invest in a transferable security only to the extent that the transferable security fulfils the following criteria:
- 3.5.1 the potential loss which the Company may incur with respect to holding the transferable security is limited to the amount paid for it;
- 3.5.2 its liquidity does not compromise the ability of the ACD to comply with its obligation to redeem shares at the request of any qualifying shareholder under the FCA Handbook of Rules and Guidance (the "FCA Handbook").
- 3.5.3 reliable valuation is available for it as follows:
- 3.5.3.1 in the case of a transferable security admitted to or dealt in on an eligible market, where there are accurate, reliable and regular prices which are either market prices or prices made available by valuation systems independent from issuers;
- 3.5.3.2 in the case of a transferable security not admitted to or dealt in on an eligible market, where there is a valuation on a periodic basis which is derived from information from the issuer of the transferable security or from competent investment research;
- 3.5.4 appropriate information is available for it as follows:
- 3.5.4.1 in the case of a transferable security admitted to or dealt in on an eligible market, where there is regular, accurate and comprehensive information available to the market on the transferable security or, where relevant, on the portfolio of the transferable security;
- 3.5.4.2 in the case of a transferable security not admitted to or dealt in on an eligible market, where there is regular and accurate information available to the ACD on the transferable security or, where relevant, on the portfolio of the transferable security;
- 3.5.5 it is negotiable; and
- 3.5.6 its risks are adequately captured by the risk management process of the ACD.
- 3.6 Unless there is information available to the ACD that would lead to a different determination, a transferable security which is admitted to or dealt in on an eligible market shall be presumed:
- 3.6.1 not to compromise the ability of the ACD to comply with its obligation to redeem shares at the request of any qualifying shareholder; and
- 3.6.2 to be negotiable.
- 3.7 Up to 5% of the scheme property of the Company may be invested in warrants.

4. Closed end funds constituting transferable securities

- 4.1 A unit in a closed end fund shall be taken to be a transferable security for the purposes of investment by the Company, provided it fulfils the criteria for transferable securities set out in paragraph 3.5 and either:
- 4.1.1 where the closed end fund is constituted as an investment company or a unit trust:
- 4.1.1.1 it is subject to corporate governance mechanisms applied to companies; and
- 4.1.1.2 where another person carries out asset management activity on its behalf, that person is subject to national regulation for the purpose of investor protection; or
- 4.1.2 Where the closed end fund is constituted under the law of contract:
- 4.1.2.1 it is subject to corporate governance mechanisms equivalent to those applied to companies; and
- 4.1.2.2 it is managed by a person who is subject to national regulation for the purpose of investor protection.

5. Transferable securities linked to other assets

- 5.1 The Company may invest in any other investment which shall be taken to be a transferable security for the purposes of investment by the Company provided the investment:
- 5.1.1 fulfils the criteria for transferable securities set out in 3.5 above; and
- 5.1.2 is backed by or linked to the performance of other assets, which may differ from those in which the Company can invest.

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

6. Approved Money-Market Instruments

- 6.1 An approved money-market instrument is a money-market instrument which is normally dealt in on the money market, is liquid and has a value which can be accurately determined at any time.
- 6.2 A money-market instrument shall be regarded as normally dealt in on the money market if it:
- 6.2.1 has a maturity at issuance of up to and including 397 days;
 - 6.2.2 has a residual maturity of up to and including 397 days;
 - 6.2.3 undergoes regular yield adjustments in line with money market conditions at least every 397 days; or
 - 6.2.4 has a risk profile, including credit and interest rate risks, corresponding to that of an instrument which has a maturity as set out in 6.2.1 or 6.2.2 or is subject to yield adjustments as set out in 6.2.3.
- 6.3 A money-market instrument shall be regarded as liquid if it can be sold at limited cost in an adequately short time frame, taking into account the obligation of the ACD to redeem shares at the request of any qualifying shareholder.
- 6.4 A money-market instrument shall be regarded as having a value which can be accurately determined at any time if accurate and reliable valuations systems, which fulfil the following criteria, are available:
- 6.4.1 enabling the ACD to calculate a net asset value in accordance with the value at which the instrument held in the portfolio could be exchanged between knowledgeable willing parties in an arm's length transaction; and
 - 6.4.2 based either on market data or on valuation models including systems based on amortised costs.
- 6.5 A money-market instrument that is normally dealt in on the money market and is admitted to or dealt in on an eligible market shall be presumed to be liquid and have a value which can be accurately determined at any time unless there is information available to the ACD that would lead to a different determination.

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

- 7.1 Transferable securities and approved money-market instruments held within the Company must be:
- 7.1.1 admitted to or dealt in on an eligible market as described in 8.3.1; or
 - 7.1.2 dealt in on an eligible market as described in 8.3.2; or
 - 7.1.3 admitted to or dealt in on an eligible market as described in 8.4; or
 - 7.1.4 for an approved money-market instrument not admitted to or dealt in on an eligible market, within 9.1; or
 - 7.1.5 recently issued transferable securities provided that:
 - 7.1.5.1 the terms of issue include an undertaking that application will be made to be admitted to an eligible market; and
 - 7.1.5.2 such admission is secured within a year of issue.
- 7.2 However, the Company may invest no more than 10% of the scheme property in transferable securities and approved money-market instruments other than those referred to in 7.1.

8. Eligible markets regime: purpose and requirements

- 8.1 To protect investors the markets on which investments of the Company are dealt in or traded on should be of an adequate quality ("eligible") at the time of acquisition of the investment and until it is sold.
- 8.2 Where a market ceases to be eligible, investments on that market cease to be approved securities. The 10% restriction in 7.2 above on investing in non approved securities applies and exceeding this limit because a market ceases to be eligible will generally be regarded as an inadvertent breach.
- 8.3 A market is eligible for the purposes of the rules if it is:
- 8.3.1 a regulated market as defined in the FCA Handbook; or
 - 8.3.2 a market in an EEA State which is regulated, operates regularly and is open to the public; or
 - 8.3.3 a market in paragraph 8.4 of this Appendix.
- 8.4 A market falling within paragraph 8.3.3 of this Appendix is eligible for the purposes of COLL 5 if:
- 8.4.1 the ACD, after consultation with and notification to the Depository, decides that market is appropriate for investment of, or dealing in, the scheme property;

- 8.4.2 the market is included in the list in the Prospectus in Appendix 1; and
- 8.4.3 the Depository has taken reasonable care to determine that:
 - 8.4.3.1 adequate custody arrangements can be provided for the investment dealt in on that market; and
 - 8.4.3.2 all reasonable steps have been taken by the ACD in deciding whether that market is eligible.
- 8.5 In paragraph 8.4.1, a market must not be considered appropriate unless it is regulated, operates regularly, is recognised 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.
- 8.6 The Eligible Markets for the Company are set out in Appendix I.

9. Money-market instruments with a regulated issuer

- 9.1 In addition to instruments admitted to or dealt in on an eligible market, the Company may invest in an approved money-market instrument provided it fulfils the following requirements:
 - 9.1.1 the issue or the issuer is regulated for the purpose of protecting investors and savings; and
 - 9.1.2 the instrument is issued or guaranteed in accordance with paragraph 10 (Issuers and guarantors of money market instruments) below.
- 9.2 The issue or the issuer of a money-market instrument, other than one dealt in on an eligible market, shall be regarded as regulated for the purpose of protecting investors and savings if:
 - 9.2.1 the instrument is an approved money-market instrument;
 - 9.2.2 appropriate information is available for the instrument (including information which allows an appropriate assessment of the credit risks related to investment in it), in accordance with paragraph 11 (Appropriate information for money market instruments) below; and
 - 9.2.3 the instrument is freely transferable.

10. Issuers and guarantors of money-market instruments

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

11. Appropriate information for money-market instruments

- 11.1 In the case of an approved money-market instrument within 10.1.2 or issued by a body of the type referred to in COLL 5.2.10EG, or which is issued by an authority within 10.1.1.2 or a public international body within 10.1.1.6 but is not guaranteed by a central authority within 10.1.1.1, the following information must be available:
- 11.1.1 information on both the issue or the issuance programme, and the legal and financial situation of the issuer prior to the issue of the instrument, verified by appropriately qualified third parties not subject to instructions from the issuer;
 - 11.1.2 updates of that information on a regular basis and whenever a significant event occurs; and
 - 11.1.3 available and reliable statistics on the issue or the issuance programme.
- 11.2 In the case of an approved money-market instrument issued or guaranteed by an establishment within 10.1.3, the following information must be available:
- 11.2.1 information on the issue or the issuance programme or on the legal and financial situation of the issuer prior to the issue of the instrument;
 - 11.2.2 updates of that information on a regular basis and whenever a significant event occurs; and
 - 11.2.3 available and reliable statistics on the issue or the issuance programme, or other data enabling an appropriate assessment of the credit risks related to investment in those instruments.
- 11.3 In the case of an approved money-market instrument:
- 11.3.1 within 10.1.1.1, 10.1.1.4 or 10.1.1.5; or
 - 11.3.2 which is issued by an authority within 10.1.1.2 or a public international body within 10.1.1.6 and is guaranteed by a central authority within 10.1.1.1;
- information must be available on the issue or the issuance programme, or on the legal and financial situation of the issuer prior to the issue of the instrument.

12. Spread: general

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

13. Counterparty risk and issuer concentration

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

- 13.2 When calculating the exposure of the Company to a counterparty in accordance with the limits in paragraph 12.6 the ACD must use the positive mark-to-market value of the OTC derivative contract with that counterparty.
- 13.3 An ACD may net the OTC derivative positions of the Company with the same counterparty, provided they are able legally to enforce netting agreements with the counterparty on behalf of the Company.
- 13.4 The netting agreements in paragraph 13.3 above are permissible only with respect to OTC derivatives with the same counterparty and not in relation to any other exposures the Company may have with that same counterparty.
- 13.5 The ACD may reduce the exposure of Scheme Property to a counterparty of an OTC derivative through the receipt of collateral. Collateral received must be sufficiently liquid so that it can be sold quickly at a price that is close to its pre-sale valuation.
- 13.6 The ACD must take collateral into account in calculating exposure to counterparty risk in accordance with the limits in paragraph 13.8 when it passes collateral to an OTC counterparty on behalf of the Company.
- 13.7 Collateral passed in accordance with paragraph 13.6 may be taken into account on a net basis only if the ACD is able legally to enforce netting arrangements with this counterparty on behalf of the Company.
- 13.8 The ACD must calculate the issuer concentration limits referred to in paragraph 12.6 on the basis of the underlying exposure created through the use of OTC derivatives pursuant to the commitment approach.
- 13.9 In relation to the exposure arising from OTC derivatives as referred to in paragraph 12.9 the ACD must include any exposure to OTC derivative counterparty risk in the calculation.

14. Spread: government and public securities

- 14.1 The following section applies to government and public securities ("such securities").
- 14.2 Where no more than 35% in value of the scheme property of the Company is invested in such securities issued by any one body, there is no limit on the amount which may be invested in such securities or in any one issue.
- 14.3 **The Company may invest more than 35% in value of the scheme property in such securities issued by any one body provided that:**
 - 14.3.1 **the ACD has before any such investment is made consulted with the Depositary and as a result considers that the issuer of such securities is one which is appropriate in accordance with the investment objectives of the Company;**
 - 14.3.2 **no more than 30% in value of the scheme property consists of such securities of any one issue;**
 - 14.3.3 **the scheme property includes such securities issued by that or another issuer, of at least six different issues;**
 - 14.3.4 **the disclosures required by the FCA have been made.**
- 14.4 Notwithstanding 12.1 and subject to 14.2 and 14.3 above, in applying the 20% limit in paragraph 12.9 with respect to a single body, government and public securities issued by that body shall be taken into account.

15. Investment in collective investment schemes

- 15.1 Up to 100% of the value of the scheme property of the Company may be invested in units or shares in other collective investment schemes ("Second Scheme") provided the Second Scheme satisfies all of the following conditions and provided that no more than 30% of value of the UCITS Scheme is invested in Second Schemes within 15.1.1.2-15.1.1.5 below;
 - 15.1.1 the Second Scheme must:
 - 15.1.1.1 satisfy the conditions necessary for it to enjoy the rights conferred by the UCITS Directive; or
 - 15.1.1.2 be recognised under the provisions of s.270 of the Financial Services and Markets Act 2000; or
 - 15.1.1.3 be authorised as a non-UCITS retail scheme (provided the requirements of Article 50(1)(e) of the UCITS Directive are met); or
 - 15.1.1.4 be authorised in another EEA State provided the requirements of Article 50(1)(e) of the UCITS Directive are met;
 - 15.1.1.5 be authorised by the competent authority of an OECD member country (other than another EEA State) which has:
 - (a) signed the IOSCO Multilateral Memorandum of Understanding; and
 - (b) approved the Second Scheme's management company, rules and depositary/custody arrangements; (provided the requirements of article 50(1)(e) of the UCITS Directive are met).
 - 15.1.2 the Second Scheme may only invest in other collective investment schemes managed by the ACD or an associate of the ACD if the Company's Prospectus clearly states that it may enter into such investments and the rules on double charging contained in COLL are complied with;

- 15.1.3 the Second Scheme must have terms which prohibit more than 10% in value of the scheme property consisting of units or shares in collective investment schemes; Where the Second Scheme is an umbrella, the provisions in this paragraph 15.1.2, paragraph 15.1.3 and paragraph 12 (Spread: General) apply to each sub-fund as if it were a separate scheme.
- 15.2 The Company may, subject to the limit set out in 15.1 above, invest in collective investment schemes managed or operated by, or whose authorised corporate director is, the ACD of the Company or one of its associates.
- 15.3 If a substantial proportion of the Company's assets are invested in other collective investment schemes, the maximum level of management fees which may be charged by an investee collective investment scheme to the Company will be 6%.

16. Investment in nil and partly paid securities

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

17. Investment in deposits

- 17.1 The Company may invest in deposits only with an Approved Bank (as defined in the FCA Handbook) and which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months.

18. Derivatives: general

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

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

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

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

It is not intended that the use of derivatives and forward transactions for EPM purposes will cause the Company's risk profile to increase.

- 18.1 A transaction in derivatives or a forward transaction must not be effected for the Company unless the transaction is of a kind specified in paragraph 20 (Permitted transactions (derivatives and forwards)) below, and the transaction is covered, as required by paragraph 31 (Cover for investment in derivatives and forward transactions) of this Appendix.
- 18.2 Where the Company invests in derivatives, the exposure to the underlying assets must not exceed the limits set out in the COLL Sourcebook in relation to COLL 5.2.11R (Spread: general) and COLL 5.2.12R (Spread: government and public securities) except for index based derivatives where the rules below apply.
- 18.3 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.
- 18.4 A transferable security or an approved money-market instrument will embed a derivative if it contains a component which fulfils the following criteria:
- 18.4.1 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;
- 18.4.2 its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract; and
- 18.4.3 it has a significant impact on the risk profile and pricing of the transferable security or approved money-market instrument.
- 18.5 A transferable security or an approved money-market instrument does not embed a derivative where it contains a component which is contractually transferable independently of the transferable security or the approved money-market instrument. That component shall be deemed to be a separate instrument.
- 18.6 Where the Company invests in an index based derivative, provided the relevant index falls within paragraph 21 (Financial Indices underlying derivatives), the underlying constituents of the index do not have to be taken into account for the purposes of COLL 5.2.11R and COLL 5.2.12R.

19. Efficient Portfolio Management

- 19.1 The Company may use Scheme Property to enter into transactions for the purposes of EPM. Permitted EPM transactions include transactions in derivatives dealt or traded on an eligible derivatives market or over-the-counter. Where permitted EPM techniques may also involve the company entering into stock lending transactions or reverse repurchase agreements. The ACD must ensure in entering into EPM transactions that the transaction is economically appropriate to (i) the reduction of the relevant risks (whether in the price of investments, interest rates or exchange rates) or (ii) the reduction of the relevant costs and/or (iii) the generation of additional capital or income for the scheme with a risk level which is consistent with the risk profile of the scheme and the risk diversification rules laid down in the FCA's COLL sourcebook.
- 19.2 There is no guarantee that the Company will achieve the objective for which any EPM transaction was undertaken. To the extent that derivative instruments are utilised for hedging purposes (reduction of the risk profile of the Company), the risk of loss to the Company may be increased where the value of the derivative instrument and the value of the security or position which it is hedging prove to be insufficiently correlated. EPM transactions (save to the extent that derivatives are traded on exchange) may involve a risk that a counterparty will wholly or partially fail to honour its contractual obligations.
- 19.3 In order to mitigate that risk of counterparty default, the counterparties to these transactions may be required to provide collateral to suitably cover their obligations to the Company. In the event of default by the counterparty, it will forfeit its collateral on the transaction. However, there is a risk that the collateral, especially where it is in the form of securities, when realised will not raise sufficient cash to settle the counterparty's liability to the Company. Securities lending transactions may, in the event of a default by the counterparty, result in the securities lent being recovered late or only in part. This may result in loss for the Company.
- 19.4 To assist in managing these types of risks, the ACD has a collateral management policy which sets criteria around the types of eligible collateral the Company may accept. A copy of this is available from the ACD on request.
- 19.5 Investors should note that EPM transactions may be effected in relation to the Company in circumstances where the ACD or Investment Manager has, either directly or indirectly, an interest which may potentially involve a conflict of their obligations to the Company. Where a conflict cannot be avoided, the ACD and Investment Manager will have regard to their responsibility to act in the best interests of the Company and its investors. The ACD and Investment Manager will ensure that the Company and its investors are treated fairly and that such transactions are effected on terms which are not less favourable to the Company than if the potential conflict had not existed. For further information in relation to conflicts of interest, please see the 'conflicts of interest' section of this prospectus.
- 19.6 All revenues arising from EPM transactions (including stock lending and repurchase and reverse repurchase arrangements, if any) will be returned to the Company, net of direct and indirect operational costs and fees.

20. Permitted transactions (derivatives and forwards)

- 20.1 A transaction in a derivative must be in an approved derivative; or be one which complies with paragraph 24 (OTC transactions in derivatives).
- 20.2 A transaction in a derivative must have the underlying consisting of any one or more of the following to which the Company is dedicated:
 - 20.2.1 transferable securities,
 - 20.2.2 approved money market instruments permitted under paragraphs 71.1 to 71.4,
 - 20.2.3 deposits, permitted derivatives under this paragraph,
 - 20.2.4 collective investment scheme shares permitted under paragraph 15 (Investment in collective investment schemes),
 - 20.2.5 financial indices which satisfy the criteria set out in paragraph 21 (Financial indices underlying derivatives),
 - 20.2.6 interest rates,
 - 20.2.7 foreign exchange rates, and
 - 20.2.8 currencies.
- 20.3 A transaction in an approved derivative must be effected on or under the rules of an eligible derivatives market.
- 20.4 A transaction in a derivative must not cause the Company to diverge from its investment objective as stated in the Company's Instrument of Incorporation and the most recently published version of this Prospectus.
- 20.5 A transaction in a derivative must not be entered into if the intended effect is to create the potential for an uncovered sale of one or more, transferable securities, approved money market instruments, shares in collective investment schemes or derivatives.
- 20.6 Any forward transaction must be with an Eligible Institution or an Approved Bank (as defined in the FCA Handbook).

- 20.7 A derivative includes an investment which fulfils the following criteria:
- 20.7.1 it allows transfer of the credit risk of the underlying independently from the other risks associated with that underlying;
 - 20.7.2 it does not result in the delivery or the transfer of assets other than those referred to in COLL 5.2.6AR, including cash;
 - 20.7.3 in the case of an OTC derivative, it complies with the requirements in paragraph 24; and
 - 20.7.4 its risks are adequately captured by the risk management process of the ACD and by its internal control mechanisms in the case of risk asymmetry of information between the ACD and the counterparty to the derivative resulting from the potential access of the counterparty to non-public information on persons whose assets are used as the underlying by that derivative.
- 20.8 The Company may not undertake transactions in derivatives on commodities.

21. Financial Indices underlying derivatives

- 21.1 The financial indices referred to in 20.2 are those which satisfy the following criteria:
- 21.1.1 the index is sufficiently diversified;
 - 21.1.2 the index represents an adequate benchmark for the market to which it refers; and
 - 21.1.3 the index is published in an appropriate manner.
- 21.2 A financial index is sufficiently diversified if:
- 21.2.1 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;
 - 21.2.2 where it is composed of assets in which the Company is permitted to invest, its composition is at least diversified in accordance with the requirements with respect to spread and concentration set out in this Appendix; and
 - 21.2.3 where it is composed of assets in which the Company 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.
- 21.3 A financial index represents an adequate benchmark for the market to which it refers if:
- 21.3.1 it measures the performance of a representative group of underlyings in a relevant and appropriate way;
 - 21.3.2 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
 - 21.3.3 the underlyings are sufficiently liquid, allowing users to replicate it if necessary.
- 21.4 A financial index is published in an appropriate manner if:
- 21.4.1 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
 - 21.4.2 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.
- 21.5 Where the composition of underlyings of a transaction in a derivative does not satisfy the requirements for a financial index, the underlyings for that transaction shall where they satisfy the requirements with respect to other underlyings pursuant to 20.2, be regarded as a combination of those underlyings.

22. Transactions for the purchase of property

- 22.1 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 COLL.

23. Requirement to cover sales

- 23.1 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, assignment) 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.

24. OTC transactions in derivatives

- 24.1 Any transaction in an OTC derivative under paragraph 20.1 must be:
- 24.1.1 in a future or an option or a contract for differences;

- 24.1.2 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 (as defined in the FCA Handbook); or a person whose permission (including any requirements or limitations), as published in the Financial Services Register or whose Home State authorisation, permits it to enter into the transaction as principal off-exchange;
- 24.1.3 on approved terms; the terms of the transaction in derivatives are approved only if, the ACD: carries out, at least daily, a reliable and verifiable valuation in respect of that transaction corresponding to its fair value and which does not rely only on market quotations by the counterparty and can enter into one or more further transaction to sell, liquidate or close out that transaction at any time, at a fair value; and
- 24.1.4 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:
 - 24.1.4.1 on the basis of an up-to-date market value which has been agreed is reliable; or
 - 24.1.4.2 if the value referred to in 24.1.4.1 is not available, on the basis of a pricing model which the ACD and the Depositary have agreed uses an adequate recognised methodology; and
- 24.1.5 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:
 - 24.1.5.1 an appropriate third party which is independent from the counterparty of the derivative at an adequate frequency and in such a way that the ACD is able to check it; or
 - 24.1.5.2 a department within the ACD which is independent from the department in charge of managing the Company and which is adequately equipped for such a purpose.
- 24.2 For the purposes of paragraph 24.1.3, “fair value” is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm’s length transaction.

25. Valuation of OTC derivatives

- 25.1 For the purposes of paragraph 24.1.3 the ACD must:
 - 25.1.1 establish, implement and maintain arrangements and procedures which ensure appropriate, transparent and fair valuation of the exposures of the Company to OTC derivatives; and
 - 25.1.2 ensure that the fair value of OTC derivatives is subject to adequate, accurate and independent assessment.
- 25.2 Where the arrangements and procedures referred to in paragraph 25.1 above involve the performance of certain activities by third parties, the ACD must comply with the requirements in SYSC 8.1.13 R (Additional requirements for a management company) and COLL 6.6A.4 R (4) to (6) (Due diligence requirements of AFMs of UCITS schemes).
- 25.3 The arrangements and procedures referred to in 25.1 must be:
 - 25.3.1 adequate and proportionate to the nature and complexity of the OTC derivative concerned; and
 - 25.3.2 adequately documented.

26. Risk Management

- 26.1 The ACD uses a risk management process (including a risk management policy) in accordance with COLL 6.12, as reviewed by the Depositary and filed with the FCA, enabling it to monitor and measure at any time the risk of a Company’s positions and their contribution to the overall risk profile of the Company. The following details of the risk management process must be regularly notified to the FCA and at least on an annual basis:
 - 26.1.1 a true and fair view of the types of derivatives and forward transactions to be used within the Company together with their underlying risks and any relevant quantitative limits.
 - 26.1.2 the methods for estimating risks in derivative and forward transactions.
- 26.2 The ACD must notify the FCA in advance of any material alteration to the details above.

27. Stock lending

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

- 27.2 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.
- 27.3 The stock lending permitted by this section may be exercised by the Company when it reasonably appears to the Company to be appropriate to do so with a view to generating additional income for the Company with an acceptable degree of risk.
- 27.4 The Company or the Depositary at the request of the Company may enter into a stock lending arrangement or repo contract of the kind described in section 263B of the Taxation of Chargeable Gains Act 1992 (without extension by section 263C), but only if all the terms of the agreement under which securities are to be reacquired by the Depositary for the account of the Company, are in a form which is acceptable to the Depositary and are in accordance with good market practice, the counterparty is an authorised person or a person authorised by a home state regulator, and collateral is obtained to secure the obligation of the counterparty. Collateral must be acceptable to the Depositary, adequate and sufficiently immediate.
- 27.5 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.
- 27.6 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 COLL, as an unconditional agreement for the sale or transfer of property, whether or not the property is part of the property of the Company.
- 27.7 There is no limit on the value of the scheme property which maybe the subject of stock lending transactions or repo contracts.

28. Significant influence

- 28.1 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:
- 28.1.1 immediately before the acquisition, the aggregate of any such securities held by the Company gives the Company power significantly to influence the conduct of business of that body corporate; or
- 28.1.2 the acquisition gives the Company that power.
- 28.2 For the purposes of paragraph 28.1, the Company is to be taken to have power significantly to influence the conduct of business of a body corporate if it can, because of the transferable securities held by it, exercise or control the exercise of 20% or more of the voting rights in that body corporate (disregarding for this purpose any temporary suspension of voting rights in respect of the transferable securities of that body corporate).

29. Concentration

The Company:

- 29.1 must not acquire transferable securities other than debt securities which:
- 29.1.1 do not carry a right to vote on any matter at a general meeting of the body corporate that issued them; and
- 29.1.2 represent more than 10% of these securities issued by that body corporate;
- 29.2 must not acquire more than 10% of the debt securities issued by any single issuing body;
- 29.3 must not acquire more than 25% of the shares in a collective investment scheme;
- 29.4 must not acquire more than 10% of the approved money market instruments issued by any single body; and
- 29.5 need not comply with the limits in paragraphs 29.2, 29.3 and 29.4 of this Appendix if, at the time of the acquisition, the net amount in issue of the relevant investment cannot be calculated.

30. Derivative exposure

- 30.1 The Company may invest in derivatives and forward transactions as long as the exposure to which the Company is committed by that transaction itself is suitably covered from within its scheme property. Exposure will include any initial outlay in respect of that transaction.
- 30.2 Cover ensures that the Company is not exposed to the risk of loss of property, including money, to an extent greater than the net value of the scheme property. Therefore, the Company must hold scheme property sufficient in value or amount to match the exposure arising from a derivative obligation to which the Company is committed. Paragraph 31 (Cover for investment in

derivatives and forward transactions) below sets out detailed requirements for cover of the Company.

- 30.3 A future is to be regarded as an obligation to which the Company is committed (in that, unless closed out, the future will require something to be delivered, or accepted and paid for); a written option as an obligation to which the Company is committed (in that it gives the right of potential exercise to another thereby creating exposure); and a bought option as a right (in that the purchaser can, but need not, exercise the right to require the writer to deliver and accept and pay for something).
- 30.4 Cover used in respect of one transaction in derivatives or forward transaction must not be used for cover in respect of another transaction in derivatives or a forward transaction.

31. Cover for investment in derivatives and forward transactions

- 31.1 The Company may invest in derivatives and forward transactions as part of its investment policy provided:
- 31.1.1 its global exposure relating to derivatives and forward transactions held in the Company does not exceed the net value of the Scheme Property; and
- 31.1.2 its global exposure to the underlying assets does not exceed in aggregate the investment limits laid down in paragraph 12 above.

32. Cover and Borrowing

- 32.1 Cash obtained from borrowing, and borrowing which the ACD reasonably regards an Eligible Institution or an Approved Bank (as defined in the FCA Handbook) to be committed to provide, is not available for cover under paragraph 31 (Cover for investment in derivatives and forward transactions) except where 32.2 below applies.
- 32.2 Where, for the purposes of this paragraph the Company borrows an amount of currency from an Eligible Institution or an Approved Bank (as defined in the FCA Handbook); and keeps an amount in another currency, at least equal to such borrowing for the time being in 32.1 on deposit with the lender (or his agent or nominee), then this paragraph 32.2 applies as if the borrowed currency, and not the deposited currency, were part of the scheme property.

33. Calculation of global exposure

- 33.1 The ACD must calculate the global exposure of the Company on at least a daily basis.
- 33.2 The ACD must calculate the global exposure of the Company it manages either as:
- 33.2.1 the incremental exposure and leverage generated through the use of derivatives and forward transactions (including embedded derivatives as referred to in paragraph 18 (Derivatives: general), which may not exceed 100% of the net value of the Scheme Property; or
- 33.2.2 the market risk of the Scheme Property
- 33.3 For the purposes of this section exposure must be calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.
- 33.4 The ACD must calculate the global exposure of the Company by using:
- 33.4.1 commitment approach; or
- 33.4.2 the value at risk approach.
- 33.5 The ACD must ensure that the method selected above is appropriate, taking into account:
- 33.5.1 the investment strategy pursued by the Company;
- 33.5.2 types and complexities of the derivatives and forward transactions used; and
- 33.5.3 the proportion of the Scheme Property comprising derivatives and forward transactions.

Where the Company employs techniques and instruments including repo contracts or stock lending transactions in accordance with paragraph 27 (Stock lending) in order to generate additional leverage or exposure to market risk, the authorised fund manager must take those transactions into consideration when calculating global exposure.

34. Cash and near cash

- 34.1 Cash and near cash must not be retained in the scheme property except to the extent that, where this may reasonably be regarded as necessary in order to enable the:
- 34.1.1 pursuit of the Company's investment objective; or
- 34.1.2 redemption of shares; or
- 34.1.3 efficient management of the Company in accordance with its investment objective; or

34.1.4 other purposes which may reasonably be regarded as ancillary to the investment objective of the Company.

34.2 During the period of the initial offer the scheme property may consist of cash and near cash without limitation.

35. General

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

35.2 Where the Company 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 Company 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.

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

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

36. Underwriting

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

37. General power to borrow

37.1 The Company may, on the instructions of the Investment Manager and subject to the COLL Sourcebook, borrow money from an Eligible Institution or an Approved Bank for the use of the Company on terms that the borrowing is to be repayable out of the Scheme Property.

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

37.3 The ACD must ensure that borrowing does not, on any Business Day, exceed 10% of the value of the Company.

37.4 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).

38. Restrictions on lending of money

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

38.2 Acquiring a debenture is not lending for the purposes of paragraph 38.1, nor is the placing of money on deposit or in a current account.

38.3 Nothing in paragraph 38.1 prevents the Company from providing an officer of the Company with funds to meet expenditure to be incurred by him for the purposes of the Company (or for the purposes of enabling him properly to perform his duties as an officer of the Company) or from doing anything to enable an officer to avoid incurring such expenditure.

39. Restrictions on lending of property other than money

39.1 Scheme Property of the Company other than money must not be lent by way of deposit or otherwise.

39.2 Transactions permitted by paragraph 27 (Stock lending) are not to be regarded as lending for the purposes of paragraph 39.1.

39.3 The Scheme Property of the Company must not be mortgaged.

39.4 Where transactions in derivatives or forward transactions are used for the account of the Company in accordance with COLL 5, nothing in this paragraph prevents the Company or the Depositary at the request of the Company: from lending, depositing, pledging or charging its Scheme Property for margin requirements; or transferring Scheme Property under the terms of an agreement in relation to margin requirements, provided that the ACD reasonably considers that both the agreement and the margin arrangements made under it (including in relation to the level of margin) provide appropriate protection to Shareholders.

40. General power to accept or underwrite placings

- 40.1 Any power in COLL 5 to invest in transferable securities may be used for the purpose of entering into transactions to which this section applies, subject to compliance with any restriction in the Instrument of Incorporation. This section applies, to any agreement or understanding: which is an underwriting or sub-underwriting agreement, or which contemplates that securities will or may be issued or subscribed for or acquired for the account of the Company.
- 40.2 This ability does not apply to an option, or a purchase of a transferable security which confers a right to subscribe for or acquire a transferable security, or to convert one transferable security into another.
- 40.3 The exposure of the Company to agreements and understandings as set out above, on any Business Day be covered and be such that, if all possible obligations arising under them had immediately to be met in full, there would be no breach of any limit in the COLL Sourcebook.

41. Guarantees and indemnities

- 41.1 The Company or the Depositary for the account of the Company must not provide any guarantee or indemnity in respect of the obligation of any person.
- 41.2 None of the Scheme Property may be used to discharge any obligation arising under a guarantee or indemnity with respect to the obligation of any person.
- 41.3 Paragraphs 41.1 and 41.2 do not apply to in respect of the Company:
- 41.3.1 any indemnity or guarantee given for margin requirements where the derivatives or forward transactions are being used in accordance with COLL 5; and
 - 41.3.2 an indemnity falling within the provisions of regulation 62(3) (Exemptions from liability to be void) of the OEIC Regulations;
 - 41.3.3 an indemnity (other than any provision in it which is void under regulation 62 of the OEIC Regulations) given to the Depositary against any liability incurred by it as a consequence of the safekeeping of any of the Scheme Property by it or by anyone retained by it to assist it to perform its function of the safekeeping of the Scheme Property; and
 - 41.3.4 an indemnity given to a person winding up a scheme if the indemnity is given for the purposes of arrangements by which the whole or part of the property of that scheme becomes the first property of the Company and the holders of units in that scheme become the first Shareholders in the Company.

Appendix 4

Past Performance

Historic performance table:

This performance information is net of tax and charges (subscription and redemption fees) but does not include the effect of any preliminary charge that may be paid on the purchase of an investment.

Please note that all performance information is at 31 December 2014. For more up-to-date performance information, please contact the ACD.

	2007	2008	2009	2010	2011	2012	2013	2014
The Castleton Growth Fund	-1.9%	-0.1%	6.6%	-3.7%	-14.8%	8.1%	16.0%	-3.0%
LIBOR 12 Month + 1%*	6.9%	8.1%	3.7%	2.3%	2.5%	2.9%	1.9%	2.0%

	2007 – 2014
The Castleton Growth Fund	4.3%
LIBOR 12 Month + 1%*	34.5%

Percentage annual and cumulative performance, Retail Income shares, (total return), based on ACD data.

Note: PAST PERFORMANCE SHOULD NOT BE TAKEN AS A GUIDE TO THE FUTURE.

Please note: the source for performance data has recently been changed. This change may have resulted in variations from previously published performance figures. These variations are deemed to be insignificant both individually and cumulatively.

Appendix 5

Directory

The Company and Head Office:

The Castleton Growth Fund
40 Dukes Place
London
EC3A 7NH

Authorised Corporate Director:

Capita Financial Managers Limited
40 Dukes Place
London
EC3A 7NH

Depositary:

BNY Mellon Trust & Depositary (UK) Limited
One Canada Square
London
E14 5AL

Investment Manager:

Barmac Asset Management Ltd
27a Lidget Hill
Pudsey
Leeds
LS28 7LG

Registrar:

Capita Financial Administrators Limited
2 The Boulevard
City West One Office Park
Gelder Road
Leeds
LS12 6NT

Auditors:

Kinetic Partners Audit LLP
One London Wall
Level 10
London
EC2Y 5HB