Multi-Manager ICVC

Prospectus 10 July 2017

Prospectus of
MULTI-MANAGER ICVC

(an investment company with variable capital incorporated with limited liability and registered by the Financial Conduct Authority under registered number IC000330. FCA Product Reference ("PRN"): 401815)

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

This document constitutes the Prospectus for Multi-Manager ICVC ("the Company") and has been prepared in accordance with the rules contained in the FCAs Handbook of Rules and Guidance including Collective Investment Schemes Sourcebook and Investment Funds Sourcebook ("the FCA Rules").

The authorised corporate director of the Company, Scottish Widows Unit Trust Managers Limited ("the ACD"), is the person responsible for the information contained in this Prospectus. To the best of the knowledge and belief of the ACD (having taken all reasonable care to ensure that such is the case) the information contained herein does not contain any untrue or misleading statement or omit any matters required by the FCA Rules to be included in it. It accepts responsibility accordingly.

A copy of this Prospectus has been sent to each of the Financial Conduct Authority and State Street Trustees Limited.

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

The distribution of this Prospectus and the offering of Shares in certain jurisdictions may be restricted. Persons into whose possession this Prospectus comes are required by the Company to inform themselves about and to observe any such restrictions. It is the responsibility of any persons in possession of this Prospectus and any persons wishing to apply for Shares to inform themselves of and to observe all applicable laws and regulations of any relevant jurisdiction. 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 in the Company which are described in this Prospectus have not been and will not be registered under the United States Securities Act of 1933, the United States Investment Company Act of 1940 or the securities laws of any of the states of the United States of America and may not be directly or indirectly offered or sold in the United States of America to or for the account or benefit of any U.S. Person, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the United States Securities Act of 1933, the United States Investment Company Act of 1940 and similar requirements of such state securities laws.

Neither the Company nor the Funds have been or will be registered under the United States Investment Company Act of 1940, as amended.

Investment in Shares by or on behalf of US Persons is not permitted.

Prospective investors should note that the ACD has the right to redeem a Shareholder's Shares in certain circumstances as set out in Section 6 of this Prospectus.

Due to US tax legislation, the Foreign Account Tax Compliance Act – "FATCA", which can affect financial institutions such as the Company, the Company may need to disclose the name, address, taxpayer identification number and investment information relating to certain U.S. investors who fall within the definition of Specified US Person in FATCA that own, directly or indirectly, an interest in certain entities, as well as certain other information relating to such interest to HM Revenue & Customs, who will in turn exchange this information with the Internal Revenue Service in the United States of America.

The extent to which the Company is able to report to HM Revenue & Customs will depend on each affected Shareholder in the Company, providing the Company or its delegate with any information, that the Company determines is necessary to satisfy such obligations. By signing the application form to subscribe for Shares in the Company, each affected Shareholder is agreeing to provide such information upon request from the Company or its delegate. Shareholders are encouraged to consult with their own tax advisors regarding the possible implications of FATCA on their interest in the Company.

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 Company's Instrument of Incorporation are binding on each of its Shareholders (who are taken to have notice of them). This Prospectus has been approved for the purpose of section 21 of the Financial Services and Markets Act 2000 by the ACD.

This Prospectus is dated, and is valid as at, 10 July 2017. This Prospectus may at any time be replaced by a new Prospectus or extended by a supplement issued by the Company; investors should, therefore, check with the ACD that this is the most recently published Prospectus and that they have all (if any) supplements to it issued by the Company.

Contents

Directory

The Company and Head Office	**Multi-Manager ICVC** 15 Dalkeith Road Edinburgh EH16 5WL
Authorised Corporate Director	**Scottish Widows Unit Trust Managers Limited** **Correspondence Address:** PO Box 28015 15 Dalkeith Road Edinburgh EH16 5WL **Registered Office:** Charlton Place Andover Hampshire SP10 1RE
Investment Adviser	**Aberdeen Investment Solutions Limited** 10 Queens Terrace Aberdeen AB10 1XL
Depositary	**State Street Trustees Limited** **Correspondence Address:** 525 Ferry Road Edinburgh EH5 2AW
Registrar	**Scottish Widows Unit Trust Managers Limited** **Registered Office**: Charlton Place Andover Hampshire SP10 1RE
Auditors	**PricewaterhouseCoopers LLP** Level 4 Atria One 144 Morrison Street Edinburgh EH3 8EX

Definitions

In this Prospectus each of the words and expressions in the left-hand column of the table set out below has the meaning set opposite it in the right-hand column of that table:-

"ACD"	the authorised corporate director of the Company, being Scottish Widows Unit Trust Managers Limited;
"ACD Agreement"	the Agreement dated 6 October 2004 (as amended and novated by an agreement between SWIP Multi-Manager Funds Management Limited, the ACD and the Company) by which the ACD was appointed by the Company to act as such;
"ACD's Group"	the group of companies consisting of the ultimate holding company of the ACD and each of the subsidiaries of that holding company;
"Act"	the Financial Services and Markets Act 2000 as amended or replaced from time to time;
"Administrator"	Scottish Widows Administration Services Limited or such other entity appointed as administrator of the Company from time to time;
"CASS Rules	the rules contained in the FCA's Client Assets Sourcebook as part of their Handbook of rules made under the Act, as amended or replaced from time to time, which shall, for the avoidance of doubt, not include guidance or evidential provisions contained in the said Sourcebook;
"Centralised Clearing"	the central clearing of eligible derivatives using a centralized counterparty who sits between the buyer and seller of a derivatives contract as required by the European Markets Infrastructure Regulation (EMIR);
"Class"	a class of Share relating to a Fund;
"COBS"	the Conduct of Business Sourcebook published by the FCA as part of their Handbook of rules made under the Act;
"Company"	Multi-Manager ICVC;
"Conversion"	the conversion of Shares in one Class in a Fund to Shares of another Class in the same Fund and "Convert" shall be construed accordingly;
"Dealing Day"	Monday to Friday (except for a bank holiday in England and Wales and other days at the ACD's discretion) being a day on which the London Stock Exchange is open for trading and other days at the ACD's discretion;
"Depositary"	the depositary of the Company, being State Street Trustees Limited;
"EEA State"	a State which is a contracting party to the agreement on

	the European Economic Area signed at Oporto on 2 May 1992, as it has effect for the time being;
“ESMA Guidelines”	the guidelines published by the European Securities and Markets Authority on 25 July 2012 relating to ETFs and other UCITS issues and which came into force on 18 February 2013;
"FCA"	the Financial Conduct Authority or any successor or replacement body or bodies as regulatory authority;
"FCA Rules"	the rules contained in the Collective Investment Schemes Sourcebook ("COLL") and the Investment Funds sourcebook (“FUND”) published by the FCA as part of their Handbook of rules made under the Act, as amended or replaced from time to time, which shall, for the avoidance of doubt, not include guidance or evidential provisions contained in the said Sourcebook;
"Fund"	a sub-fund of the Company (being a part of the Scheme Property which is pooled separately from each other part) to which specific assets and liabilities of the Company may be allocated and which is invested in accordance with its own investment objective;
"holding company"	the meaning ascribed thereto in the Companies Act 1985;
“IOSCO”	the International Organisation of Securities Commissions;
"ICVC"	investment company with variable capital;
"Instrument of Incorporation"	the Instrument of Incorporation of the Company as amended from time to time;
"Investment Adviser"	Aberdeen Investment Solutions Limited, the investment adviser appointed by the ACD;
"Net Asset Value"	the value of the Scheme Property of the Company (or of any Fund or Class of Shares as the context requires) less the liabilities of the Company (or of the Fund or Class of Shares concerned) as calculated in accordance with the FCA Rules and the Instrument of Incorporation (the relevant provisions of which are set out below under "Calculation of the Net Asset Value" in Appendix C);
“OECD”	Organisation for Economic Co-operation and Development;
"OEIC Regulations"	the Open-Ended Investment Companies Regulations 2001 as amended or replaced from time to time;
"Prospectus"	a prospectus of the Company prepared pursuant to the requirements of the FCA Rules, including a prospectus consisting of an existing version of a prospectus as extended by a supplement issued by the Company;
"Register"	the register of Shareholders kept on behalf of the Company;
"Registrar"	the registrar of the Company, being Scottish Widows Unit

Trust Managers Limited;

"Scheme Property"	the property of the Company subject to the collective investment scheme constituted by the Company or (as the context may require) the part of that property attributable to a particular Fund;
"SDRT"	stamp duty reserve tax;
"Share"	a share in the Company (including both a larger and a smaller denomination share);
"Shareholder"	the holder of a Share (whether in registered or bearer form);
"Switch"	the exchange of Shares in one Fund for Shares relating to another Fund;
"UCITS Directive"	means Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities as amended by Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 as regards depositary functions, remuneration policies and sanctions;
"UCITS Regulation"	means Commission Delegated Regulation version (C2015) 9160 final of 17.12.2015;
"US"	the United States of America (including the States and District of Columbia), its territories, possessions and all other areas subject to its jurisdiction;
"US Person"	unless otherwise determined by the ACD:

(i) a citizen or natural person resident of the US;

(ii) a partnership, limited liability company, corporation or other entity organised in or under the laws of the US or any State or any entity taxed as such or required to file a tax return as such under the US Federal income tax laws or any entity having its principal place of business in the US;

(iii) any estate or trust the executor, administrator, or trustee of which is a US Person as defined above, in the cases of a trust of which any professional fiduciary acting as a trustee is a US Person, a trustee who is not a US Person has sole or shared investment discretion with respect to trust assets and no beneficiary of the trust (and no settler if the trust is revocable) is a US Person and no income or beneficiaries of which are subject to US Federal income tax;

(iv) any agency or branch of a foreign entity located in the US;

(v) certain accounts held by a dealer or other fiduciary where the person exercising discretion over the account is a US Person;

(vi) any partnership, corporation or other entity if (a) organised or incorporated under the laws of any foreign jurisdiction and (b) owned or formed by a US Person or Persons principally for the purpose of investing in securities not registered under the US Securities Act of 1933;

(vii) any employee benefit plan unless such employee benefit plan is established and administered in accordance with the laws of a country other than the US and the customary practices and documentation of such country and is maintained primarily for the benefit of persons substantially all of whom are non-resident aliens with respect to the US; and

(viii) any other person or entity whose ownership of Shares or solicitation for ownership of Shares the ACD through its officers or directors shall determine may violate any securities laws of the US or any state or other jurisdiction thereof.

Except that a US Person shall not include corporations, partnerships or other entities which are organised or incorporated under the laws of any non-US Person as described above, unless such corporation, partnership or other entity was formed by such US Person principally for the purpose of investing in securities not registered under the US Securities Act of 1933, as amended;

"Valuation Point" the time, whether on a periodic basis or for a particular valuation, at which the ACD carries out a valuation of the Scheme Property for the Company or a Fund (as the case may be) for the purpose of determining the price at which Shares of a Class may be issued, cancelled or redeemed. For details of the Valuation Point of a Fund please see section 5 (Pricing of Shares).

1. The Company and its Structure

Multi-Manager ICVC is an investment company with variable capital incorporated in the United Kingdom, and having its head office in England and Wales, under registered number IC000330 and authorised and regulated by the Financial Conduct Authority ('FCA') with effect from 21 September 2004.

The head office of the Company is at 15 Dalkeith Road, Edinburgh, EH16 5WL. The address of the place in the United Kingdom for service on the Company of notices or other documents required or authorised to be served on, or given to, it (including any such notice or document to be given to the Company pursuant to the Instrument of Incorporation) is 15 Dalkeith Road, Edinburgh EH16 5WL . Any such notice or document must be given to or served on the Company in hard copy by delivering it or by sending it by post to that address, unless otherwise specified in this Prospectus in relation to any specific notice or document.

The ACD is the sole director of the Company.

The Company is a “UCITS scheme” (being a type of scheme referred to in the FCA Rules). The Company is structured as an umbrella so that the Scheme Property of the Company may be divided among two or more Funds. The assets of each Fund will generally be treated as separate from those of every other Fund and will be invested in accordance with the investment objective and investment policy applicable to that Fund. New Funds may be established from time to time by the ACD with the approval of the FCA and the agreement of the Depositary. If a new Fund is introduced, a new Prospectus will be prepared to set out the required information in relation to that Fund.

The Funds which have been established are:-

- Multi-Manager European Equity Fund*
- Multi-Manager Global Real Estate Securities Fund
- Multi-Manager UK Equity Growth Fund

(each a "**Russell Multi-Manager Fund**" and together the "**Russell Multi-Manager Funds**")

- Multi-Manager International Equity Fund
- Multi-Manager UK Equity Income Fund
- Multi-Manager UK Equity Focus Fund

(each a "**AIS Multi-Manager Fund**" and together the "**AIS Multi-Manager Funds**")

** Please note that this Fund is in the process of being terminated and accordingly is not currently available for investment.*

Each Fund would, if it were a separate investment company with variable capital, be a UCITS scheme.

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

Each Fund will be charged with the liabilities, expenses, costs and charges of the Company attributable to that Fund. Within the Funds, charges will be allocated between Classes in accordance with the terms of issue of Shares of those Classes. Any expenses specific to a Class will be allocated to that Class. Any assets, liabilities, expenses, costs or charges not attributable to a particular Class within a Fund or to a particular Fund (as the case may be) may be allocated by the ACD in a manner which is fair to the Shareholders generally but they will normally be allocated to all Classes within a Fund or all Funds (as the case may be) pro rata to their Net Asset Values.

The base currency of the Company is Sterling, but a Class of Shares in respect of any Fund may be designated in Sterling or any currency other than Sterling.

The Shares have no par value and, therefore, the share capital of the Company will at all times equal the sum of the Net Asset Values of each of the Funds. The minimum share capital of the Company will be £100 and the maximum share capital will be £1,000,000,000,000.

Shareholders are not liable for the debts of the Company.

2. Management and Administration

Authorised Corporate Director

The authorised corporate director of the Company is Scottish Widows Unit Trust Managers Limited, a private company limited by shares which was incorporated in England and Wales on 19 April 1982. Its ultimate holding company is Lloyds Banking Group plc, which is incorporated in Scotland.

The registered office of the ACD is Charlton Place, Andover, Hampshire SP10 1RE and the head office of the ACD is 15 Dalkeith Road, Edinburgh, EH16 5WL. The issued share capital of the ACD is 1,000,000 ordinary shares of £1 each, all of which are fully paid up. Its principal business activity is acting as authorised manager to authorised unit trusts and as authorised corporate director to authorised open-ended investment companies. The names of the directors, together with details of their main business activities not connected with the business of the ACD are set out in Appendix G.

The ACD is authorised and regulated by the Financial Conduct Authority ("FCA").

The ACD is responsible for managing and administering the Company's affairs in compliance with the FCA Rules.

The appointment of the ACD has been made on the terms of the ACD Agreement. The ACD Agreement provides that the appointment of the ACD may be terminated by the ACD giving 12 months' written notice to the Company, although in certain circumstances the ACD Agreement may be terminated by the Depositary or the Company forthwith by notice in writing to the ACD or by the ACD forthwith by notice in writing to the Company. Termination cannot take effect until the FCA has approved the change of director.

The ACD is entitled to its pro rata fees and expenses to the date of termination and any additional expenses necessarily incurred in settling or realising any outstanding obligations. No compensation for loss of office is provided for in the ACD Agreement. To the extent permitted by the OEIC Regulations and the FCA Rules, the ACD Agreement provides indemnities to the ACD other than for matters arising by reason of its negligence, default, breach of duty or breach of trust in the performance of its duties and obligations.

The ACD may delegate investment management, administration and marketing functions in accordance with the FCA Rules. Notwithstanding such delegation the ACD remains responsible for any functions so delegated. At present certain functions are currently delegated as detailed below.

The ACD is under no obligation to account to the Company, the Depositary or the Shareholders for any profit it makes on the issue or re-issue of Shares or cancellation of Shares which it has redeemed. The fees to which the ACD is entitled are set out in Part 7 below.

The ACD is authorised to enter into stock lending or repo transactions as agent for the Funds. Associated income arrangements which the parties involved with stock lending activities may receive (out of any gross lending income generated from a stock lending transaction) are set out on page 30.

Appendix E sets out the details of the capacity, if any, in which the ACD acts in relation to any other regulated collective investment schemes and the name of such schemes.

The Depositary

The depositary of the Company is State Street Trustees Limited, a private company limited by shares (registered number 2982384) which was incorporated in England and Wales on 24 October 1994. Its ultimate holding company is State Street Corporation, a company incorporated in the State of Massachusetts, USA.

The registered office of the Depositary is at 20 Churchill Place, London E14 5HJ. Its Head Office (and the address which should be used for correspondence) is 525 Ferry Road, Edinburgh EH5 2AW. The Depositary is authorised and regulated by the Financial Conduct Authority ("FCA").

The appointment of the Depositary was effected under the Depositary Agreement dated March 2016 between the Company, the ACD and the Depositary.

Depositary's Functions

The Depositary has been entrusted with following main functions:

- ensuring that the sale, issue, repurchase, redemption and cancellation of Shares are carried out in accordance with applicable law and the Instrument of Incorporation.
- ensuring that the value of the Shares is calculated in accordance with applicable law and the Instrument of incorporation.
- carrying out the instructions of the ACD unless they conflict with applicable law and the Instrument of Incorporation.
- ensuring that in transactions involving the assets of a Fund any consideration is remitted within the usual time limits.
- ensuring that the income of a Fund is applied in accordance with applicable law and the Instrument of Incorporation.
- monitoring of the Funds' cash and cash flows
- safe-keeping of the Funds' assets, including the safekeeping of financial instruments to be held in custody and ownership verification and record keeping in relation to other assets.

Depositary's Liability

In carrying out its duties the Depositary shall act honestly, fairly professionally, independently and solely in the interests of the Company and its Shareholders.

In the event of a loss of a financial instrument held in custody, determined in accordance with the UCITS Directive, and in particular Article 18 of the UCITS Regulation, the Depositary shall return financial instruments of identical type or the corresponding amount to the Fund without undue delay.

The Depositary shall not be liable if it can prove that the loss of a financial instrument held in custody has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary pursuant to the UCITS Directive.

In case of a loss of financial instruments held in custody, the Shareholders may invoke the liability of the Depositary directly or indirectly through the ACD provided that this does not lead to a duplication of redress or to unequal treatment of the Shareholders.

The Depositary will be liable to the Company for all other losses suffered by or in respect of a Fund as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations pursuant to the UCITS Directive.

The Depositary shall not be liable for consequential or indirect or special damages or losses, arising out of or in connection with the performance or non-performance by the Depositary of its duties and obligations.

Delegation

The Depositary has full power to delegate the whole or any part of its safe-keeping functions but its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. The Depositary's liability shall not be affected by any delegation of its safe-keeping functions under the Depositary Agreement.

Information about the safe-keeping functions which have been delegated and the identification of the relevant delegates and sub-delegates are contained in Appendix H to the Prospectus.

Conflicts of Interest

The Depositary is part of an international group of companies and businesses that, in the ordinary course of their business, act simultaneously for a large number of clients, as well as for their own account, which may result in actual or potential conflicts. Conflicts of interest arise where the Depositary or its affiliates engage in activities under the Depositary Agreement or under separate contractual or other arrangements. Such activities may include:

(i) providing nominee, administration, registrar and transfer agency, research, agent securities lending, investment management, financial advice and/or other advisory services to the Company;

(ii) engaging in banking, sales and trading transactions including foreign exchange, derivative, principal lending, broking, market making or other financial transactions with the Company either as principal and in the interests of itself, or for other clients.

In connection with the above activities the Depositary or its affiliates:

(i) will seek to profit from such activities and are entitled to receive and retain any profits or compensation in any form and are not bound to disclose to, the Company or the ACD, the nature or amount of any such profits or compensation including any fee, charge, commission, revenue share, spread, mark-up, mark-down, interest, rebate, discount, or other benefit received in connection with any such activities;

(ii) may buy, sell, issue, deal with or hold, securities or other financial products or instruments as principal acting in its own interests, the interests of its affiliates or for its other clients;

(iii) may trade in the same or opposite direction to the transactions undertaken, including based upon information in its possession that is not available to the Company or the ACD;

(iv) may provide the same or similar services to other clients including competitors of the Company and/or the ACD;

(v) may be granted creditors' rights by the Company which it may exercise

Potential conflicts that may arise in the Depositary's use of sub-custodians include four broad categories:

(1) conflicts from the sub-custodian selection and asset allocation among multiple sub-custodians influenced by (a) cost factors, including lowest fees charged, fee rebates or similar incentives and (b) broad two-way commercial relationships in which the Depositary may act based on the economic value of the broader relationship, in addition to objective evaluation criteria;
(2) sub-custodians, both affiliated and non-affiliated, act for other clients and in their own proprietary interest, which might conflict with clients' interests;
(3) sub-custodians, both affiliated and non-affiliated, have only indirect relationships with clients and look to the Depositary as its counterparty, which might create incentive for the Depositary to act in its self-interest, or other clients' interests to the detriment of clients; and
(4) sub-custodians may have market-based creditors' rights against client assets that they have an interest in enforcing if not paid for securities transactions.

In carrying out its duties the Depositary shall act honestly, fairly, professionally, independently and solely in the interests of the Company and its Shareholders.

The Depositary has functionally and hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks. The system of internal controls, the different reporting lines, the allocation of tasks and the management reporting allow potential conflicts of interest and the Depositary issues to be properly identified, managed and monitored. Additionally, in the context of the Depositary's use of sub-custodians, the Depositary imposes contractual restrictions to address some of the potential conflicts and maintains due diligence and oversight of sub-custodians to ensure a high level of client service by those agents. The Depositary further provides frequent reporting on clients' activity and holdings, with the underlying functions subject to internal and external control audits. Finally, the Depositary internally separates the performance of its custodial tasks from its proprietary activity and follows a Standard of Conduct that requires employees to act ethically, fairly and transparently with clients.

The Investment Adviser may use an affiliate of the Depositary to execute foreign exchange, spot or swap transactions for the account of one or more of the Funds. In such instances the affiliate shall be acting in a principal capacity and not as a broker, agent or fiduciary of the Fund. The affiliate will seek to profit from these transactions and is entitled to retain and not disclose any profit to the Company, the ACD or the Investment Adviser. The affiliate shall enter into such transactions on the terms and conditions agreed with the Investment Adviser for the account of the relevant Fund.

Where cash belonging to a Fund is deposited with an affiliate being a bank, a potential conflict arises in relation to the interest (if any) which the affiliate may pay or charge to such account and the fees or other benefits which it may derive from holding such cash as banker and not as trustee.

The ACD may also be a client or counterparty of the Depositary or its affiliates.

Up-to-date information on the Depositary, its duties, any conflicts that may arise, the safe-keeping functions delegated by the Depositary, the list of delegates and sub-delegates and any conflicts of interest that may arise from such a delegation will be made available to Shareholders on request.

The Depositary Agreement may be terminated by the Company or the Depositary giving not less than 3 months' written notice. It also provides that in certain circumstances, the Depositary Agreement can be terminated forthwith on giving notice. No notice of termination shall take effect until the appointment of a successor depositary. The Depositary Agreement provides indemnities to the Depositary (except (a) in respect of the negligence, fraud, wilful default, certain breaches of the Depositary Agreement or failure to exercise due care and diligence by the Depositary, or any of its officers, directors, employees or associates or, in certain circumstances, agents or delegates and (b) where recovery is made from another person) and (to the extent permitted by the OEIC Regulations and the FCA Rules) exempts it from, inter alia, liability for special, indirect or consequential loss or damage and any loss in connection with any assets of the Company where it has exercised due care and diligence and has not committed fraud or wilful default.

The fees to which the Depositary is entitled are set out in Part 7 below.

The Investment Adviser

Aberdeen Investment Solutions Limited (formally known as Lloyds TSB Investments Limited) is the Investment Adviser of the Company, providing investment management to the ACD. The registered office and business address of the Investment Adviser is[1] 10 Queens Terrace, Aberdeen AB10 1XL. Its ultimate holding company is Aberdeen Asset Management PLC. Its principal business activity is investment management. The Investment Adviser is authorised and regulated by the Financial Conduct Authority ("FCA").

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[1] Important Note: The Investment Adviser was acquired by Aberdeen Asset Management PLC on 31 March 2014. Prior to this, the Investment Adviser was in the same group of companies as the ACD.

The significant activities of the Investment Adviser, other than providing services to the Company as investment adviser, are providing investment management services to various categories of client, together with providing marketing and administration services in connection with such investment management services.

The Investment Adviser was appointed by an Investment Management Agreement dated 31 March 2014 between the ACD and the Investment Adviser. The Investment Management Agreement may be terminated by the Investment Adviser or the ACD giving twelve months' written notice to the other, in the case of the ACD giving notice the twelve months' notice period is not to expire before the end of the eight year initial term, and with immediate effect by the ACD where required to do so by the FCA Rules (which rules include a provision that the mandate must be withdrawn with immediate effect where it is in the interests of Shareholders to do so).

The Investment Adviser has responsibility for and full discretion in making all investment decisions in relation to each Fund subject to and in accordance with the investment objectives and policies of the Funds as varied from time to time, the provisions of the Instrument of Incorporation, the FCA Rules and any directions or instructions given from time to time by the ACD. The Investment Adviser is permitted to delegate its duties in respect of any or all Funds to other parties. See below under "Delegation of Investment Management" for information as to the way in which the Investment Adviser currently intends to use those powers of delegation, although the Investment Adviser may at any time terminate or vary the arrangements specified under that heading or substitute any other arrangement with any other party or cease to delegate altogether.

No commission is payable to the Investment Adviser for any deal done or which could be done on behalf of the Company. Instead, the fees payable to the Investment Adviser will be calculated in accordance with a scale of charges agreed from time to time between the Directors of the Investment Adviser and the ACD. Those fees will be paid by the ACD and will not be charged to the Company.

Delegation of Investment Management

Currently, the Investment Adviser intends to use its power of delegation in relation to all of the Funds.

The Funds are built on the belief that in any asset class there are multiple styles of investment management. In addition, investment managers generally manage assets employing a single investment style. Accordingly, as investment styles and strategies go in and out of favour at different points in a market cycle, no single investment manager will be the best performer in an asset class all of the time. The aim of multi-style, multi-manager and multi-strategies diversification is therefore to reduce overall volatility in a fund by diversifying the Fund's assets across different styles within the asset class represented by the Fund. In short, multi-style, multi-manager and multi-strategies diversification combines some of the world's best managers in a single fund on a complementary basis.

For the AIS Multi-Manager Funds, the Investment Adviser will delegate its duties in relation to the investment management of those Funds to a number of different sub-advisers (the "AIS Sub-Advisers") in respect of different parts of each Fund. In respect of the AIS Multi-Manager Funds, the fees of each such AIS Sub-Adviser appointed will be borne by the Fund.

The Investment Adviser is permitted at any time to vary the amount of any such Fund's assets the management of which is from time to time delegated to any such AIS Sub-Adviser, to terminate the appointment of any such AIS Sub-Adviser and to appoint additional or alternative sub-advisers. The Investment Adviser may also invest directly in collective investment schemes subject to the restrictions contained in this prospectus.

For all of the Russell Multi-Manager Funds (but to a more limited extent for Multi-Manager Global Real Estate Securities Fund as set out in the Prospectus), the Investment Adviser will delegate its duties in relation to the investment management of those Funds to Russell Investments Limited having its registered office and its business address at Rex House, 10 Regent Street, London, SW1Y 4PE ("Russell") on the basis that Russell will sub-delegate all, or the majority, of those duties to a number of different sub-advisers (the "Russell Sub-Advisers") in respect of different parts of each Fund. The fees of each such sub-adviser appointed by Russell will be borne by Russell. Russell's fees will be borne by the Fund.

Russell are permitted at any time to vary the amount of any such Fund's assets the management of which is from time to time delegated to any such Russell Sub-Adviser, to terminate the appointment of any such Russell Sub-Adviser and to appoint additional or alternative sub-advisers.

For Multi-Manager Global Real Estate Securities Fund, the Investment Adviser will retain the investment management role or delegate to a Sub-adviser. The Investment Adviser will at its discretion decide what that proportion of the Fund shall be delegated to Russell or to another Sub-adviser from time to time. The investment management delegated to Russell shall be on the basis set out in the two preceding paragraphs.

Russell is authorised and regulated by the Financial Conduct Authority ("FCA"). Its principal business activity is the provision of investment advice to and discretionary investment management for institutional investors.

Every "sub-adviser" appointed by either Russell or the Investment Adviser in relation to any Fund is subject to a rigorous selection process by either Russell or the Investment Adviser as appropriate and is selected for its own clearly defined investment style and discernible competitive edge and its ability to complement the styles of other Sub-Advisers appointed to that Fund. Thereafter, it is subject to ongoing monitoring and review by either Russell or the Investment Adviser as appropriate to ensure that the sub-adviser, in combination with the other sub-advisers, continues to perform to expectations for that Fund in question.

Details of the sub-advisers in place at any one time for the Funds can be obtained from the website of the ACD www.scottishwidows.co.uk.

Registrar

The ACD has been appointed to act as the registrar of the Company (in this capacity "the Registrar").

The Register of Shareholders and any plan registers are maintained by the Registrar at its office at 15 Dalkeith Road, Edinburgh EH16 5WL and may be inspected at that address during normal business hours by any Shareholder or any Shareholder's duly authorised agent.

Administration

All administration functions are delegated to Scottish Widows Administration Services Limited (with sub-delegation to State Street Bank and Trust Company Limited ("SSBTC")) and Scottish Widows Services Limited.

Auditors

The Auditors of the Company are PricewaterhouseCoopers LLP of Level 4, Atria One, 144 Morrison **Street**; **Edinburgh** EH3 8EX.

Custodian

The Depositary has delegated the custody of the assets of the Funds to State Street Bank and Trust Company, who will act as Custodian. The arrangements prohibit State Street Bank and Trust Company as such Custodian from releasing documents evidencing title to such assets into the possession of a third party without the consent of the Depositary.

Conflicts of Duty or Interest

The ACD, the Investment Adviser, other companies within the ACD's Group or the Investment Adviser's Group as the case may be, Russell and/or the Sub-Advisers may, from time to time, act as investment managers or advisers to other collective investment schemes (or sub-funds thereof) or to other persons, which follow similar investment objectives, policies or strategies to those of the Company or the Funds. It is therefore possible that any of those parties may in the course of its business have potential conflicts of duty or interest with the Company or a particular Fund. Each of the ACD and the Investment Adviser will, however, have regard in such event to its obligations under the ACD Agreement and the Investment Management Agreement respectively and, in particular, the ACD will have regard 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 where potential conflicts of interest may arise.

The ACD's Group has established and implemented a conflicts policy pursuant to the FCA Rules (which may be revised and updated from time to time). The conflicts policy sets out how members of the ACD's Group must seek to identify and manage all material conflicts of interest. Such conflicts of interest can occur in day to day business activities, for example, where one of the ACD's Group member's clients could make a gain at the direct expense of another ACD's Group member's client, or an ACD's Group member might be faced with an opportunity to make a gain but this would be to the direct disadvantage of one or more of the ACD Group's clients.

Depending on the exact nature of the conflict of interest involved, an ACD Group member may take certain actions in accordance with the conflicts policy to mitigate the potential impact of the conflict. Such actions may include putting in place controls between the opposing sides of the conflict, which may control or prevent the exchange of information, and/or involve the appropriate management of staff activities and segregation of duties. Where such controls would be insufficient to eliminate the potential material risk of damage to clients from specific conflicts, the relevant ACD Group member will disclose the general nature and/or source of those conflicts of interest to you prior to undertaking the relevant business. The conflicts policy is available to Shareholders on request.

Full details of the ACD's conflict of interest policy are available by contacting the ACD.

Order Execution Information

The ACD is responsible for the investment management of the underlying assets of the Funds within the Company and, as such, is subject to the FCA Handbook that applies to operators of collective investment schemes. These require all authorised corporate directors to meet the requirements relating to best execution when carrying out scheme management activity for its Funds.

In view of this, the ACD is required to treat the Company as its client. It is also required to have an order execution policy in place detailing how it will act in line with the best interests of the Company and to take all reasonable steps to obtain the best possible result, when it directly executes an order, places an order with, or transmits an order to, another entity for execution. The ACD delegates investment management to the Investment Adviser who will operate in accordance with its own order execution policy, as will any of the Sub Advisers to whom the Investment Adviser delegates any investment management for any Fund. A copy of the order execution policy is available by contacting the ACD.

Voting Rights Strategy

In accordance with the FCA Rules, the ACD must develop strategies for determining when and how voting rights of assets held within the Scheme Property are to be exercised. A copy of the ACD's voting rights strategy is available by contacting the ACD. Details of the actions which the ACD has taken on the basis of its voting rights strategy are available, upon request by writing to the ACD at Company Secretarial Department.

3. Investment Objectives and Policies of the Funds

Investment of the assets of each Fund must be in accordance with the investment objective and policy of the relevant Fund and must comply with the investment restrictions and requirements set out in the FCA Rules. Details of the investment objectives and policies are set out in Appendix D in respect of each Fund and the eligible securities and derivatives markets through which the Funds may invest are set out in Appendix A. A summary of the general investment and borrowing restrictions is set out in Appendix B.

It is not at present intended that the Company will have an interest in any immovable property (e.g. its office premises) or tangible movable property (e.g. office equipment).

4. Shares and Classes

More than one Class of Share may be issued in respect of each Fund. The ACD may make available the following Classes of Share in respect of each Fund:-

Class A net accumulation shares
Class A net income shares
(together "Class A Share Classes")

All Class A Share Classes are designated in Sterling.

Class B net accumulation shares
Class B net income shares
(together "Class B Share Classes")

All Class B Share Classes are designated in Sterling.

Class C net accumulation shares
Class C net income shares
(together "Class C Share Classes")

All Class C Share Classes are designated in Sterling.

Class P net accumulation shares
Class P net income shares
(together “Class P Share Classes”)

All Class P Share Classes are:-

- designated in Sterling; and
- not available to any person other than:-
  - (a) a company which is in the group of companies consisting of the ultimate holding company of the ACD and each of the subsidiaries of that holding company; or
  - (b) a person, not being a company of the type referred to in the preceding paragraph (a), to whom the ACD at its entire discretion has determined that such shares may be made available.

Class X net accumulation shares
Class X net income shares
(together “Class X Share Classes”)

All Class X Share Classes:

- may be designated in Sterling, US Dollars, Euros and Swiss Francs.
- are not available to any person other than:-
  - (a) a company which is in the group of companies consisting of the ultimate holding company of the ACD and each of the subsidiaries of that holding company; or
  - (b) a person, not being a company of the type referred to in the preceding paragraph (a), to whom the ACD at its entire discretion has determined that such Shares may be made available.

Class S net accumulation shares
Class S net income shares
(together "Class S Share Classes")

All Class S Share Classes are designated in Sterling

Class Q net accumulation shares
Class Q net income shares
(together "Class Q Share Classes")

All Class Q Share Classes:

- may be designated in Sterling, US Dollars, Euros and Swiss Francs.
- are not available to any person other than:-
  a) company which is in the group of companies consisting of the ultimate holding company of the ACD and each of the subsidiaries of that holding company; or
  b) a person, not being a company of the type referred to in the preceding paragraph (a), to whom the ACD at its entire discretion has determined that such Shares may be made available.

Gross classes of shares are only available to investors who are permitted in accordance with UK tax law to receive income from the Fund without deduction of any UK income tax.

Appendix D contains a description of the Classes available in respect of each of the Funds as of the date of this Prospectus. New Share Classes (including gross accumulation shares and gross income shares) may be established by the ACD from time to time, subject to compliance with the FCA Rules. If a new Class of Share is introduced, a new Prospectus will be prepared to set out the required information in relation to that class.

Where a Fund has different Classes, each Class may attract different charges and expenses and so monies may be deducted from Classes in unequal proportions. In these circumstances the proportionate interests of the Classes within a Fund will be adjusted in accordance with the terms of issue of Shares of those Classes. Also, each Class may have its own investment minima or other features, at the discretion of the ACD. Any such different charges or features are set out above and in Appendix D in relation to each of the Funds.

A net income Share is one where income is distributed periodically to Shareholders net of any UK basic rate income tax deducted or accounted for by the Fund. A net accumulation Share is one in respect of which income (net of any UK basic rate income tax deducted or accounted for by the Fund) is credited periodically to capital within the relevant Fund. A gross income Share (if available) is one in respect of which income is distributed periodically to shareholders but (in accordance with UK tax law) is distributed without deduction by the Fund of any UK income tax. A gross accumulation Share (if available) is one in respect of which income is credited periodically to capital of the relevant Fund but (in accordance with UK tax law) is credited without deduction by the Fund of any UK income tax. For a further explanation of the funds' tax impacts, please refer to Section 9 below.

Holders of income Shares of a Fund are entitled to be paid the income of that Fund which is attributed to such Shares on the relevant interim and annual allocation dates. Holders of accumulation Shares are not entitled to be paid the income attributable to such Shares, but that income is automatically added to (and retained as part of) the capital assets of the relevant Fund on the relevant interim and/or annual allocation dates.

It is not at present possible to have fractions of a Share. Accordingly, the rights attached to Shares of each Class are expressed in two denominations - smaller denomination and larger denomination. Each smaller denomination share represents one thousandth of a larger denomination share.

Shareholders are entitled (subject to certain restrictions) to Convert all or part of their Shares of one Class for Shares of another Class in respect of the same Fund or to Switch all or part of their Shares in relation to one Fund for Shares in relation to a different Fund. Details of this Conversion and Switching facility and the restrictions are set out below under "Conversion and Switching" in Part 6 below.

The Instrument of Incorporation provides the power to issue bearer Shares. However, currently the Company does not issue bearer Shares. If these were to be issued, they would be issued subject to the discretion of the ACD, subject to such conditions and in such multiples as the ACD may from time to time decide.

5. Pricing of Shares

The Net Asset Value of each Fund will be calculated on each Dealing Day at the Fund's Valuation Point.

All Funds are single priced, i.e. there is one price at which investors buy and sell Shares on any given day. The ACD operates on a "swinging single pricing basis" basis. See "Dilution Adjustment" section below, which is the more formal term for this practice.

When prices are not swung (adjusted), the Net Asset Value (price) is calculated on a mid-market basis.

For all Funds, the Valuation Point is 12 noon, Greenwich Mean Time (UK).

If you are unclear about the Valuation Point please contact the ACD to clarify the position on 0800 336600 between 8.30am and 5.30pm (UK time) on Monday to Friday.

The ACD may at any time carry out an additional valuation if the ACD considers it desirable to do so.

In the event that, for any reason, the ACD is unable to calculate the price of any Fund at the normal Valuation Point, the prices will be based on the next available valuation thereafter.

Information regarding the calculation of the Net Asset Value of each Fund and the apportionment of that Net Asset Value between each Class of Shares in relation to that Fund is set out below in Appendix C.

Shares of each Class will be sold and redeemed on the basis of forward prices, being prices calculated by reference to the next Valuation Point after the sale or redemption is accepted by the ACD.

The price of each Share will be calculated by reference to the proportion of the Net Asset Value of the Fund attributable to a Share of that Class by:-

- taking the proportion of the Net Asset Value of the relevant Fund attributable to the Shares of the Class concerned at the Valuation Point of that Fund;
- dividing the result by the number of Shares of the relevant Class in issue immediately before the Valuation Point concerned;
- increasing or decreasing the result by any dilution adjustment determined by the ACD.

Dilution Adjustment

To mitigate the effects of dilution the ACD has the discretion to make a "dilution adjustment" on the sale and/or redemption of Shares in a Fund. A dilution adjustment is an adjustment to the Share price. If there are net inflows into a Fund the dilution adjustment would increase the Share price and if there are net outflows the dilution adjustment would decrease the Share price.
The ACD may, at its discretion, make a dilution adjustment on the sale and/or redemption of Shares (including Switches) if, in its opinion, the existing Shareholders (for sales) or remaining Shareholders (for redemptions) might otherwise be materially affected. In particular, the ACD may make a dilution adjustment under the following circumstances:

- on a Fund where there is a net inflow or net outflow on any Dealing Day; or

- in any other case where the ACD believes that the imposition of a dilution adjustment is required to safeguard the interests of continuing Shareholders.

On the occasions when the dilution adjustment is not made there may be an adverse impact on the total assets of a Fund.

As dilution is directly related to the inflows and outflows of monies from the relevant Fund it is not generally possible to predict accurately whether dilution will occur at any future point in time. Consequently it is also not generally possible to predict accurately how frequently the ACD will need to make such a dilution adjustment. However, for illustrative purposes, please see the table in Appendix F.

The amount of any dilution adjustment may vary over time and may differ for each Fund. Should the ACD at its discretion make a dilution adjustment, estimated rates are based on future projections of movements within the Funds, and this can vary with underlying market conditions. Estimates of the amount of dilution adjustment based on securities held can be found in Appendix F.

The ACD receives no financial benefit from this dilution adjustment, and the price adjustment or swinging range is regularly monitored. On the occasions when the price is not swung or adjusted the Fund would have to cover these costs directly which in turn would restrict growth.

The most recent price of Shares in issue will be published daily on the Scottish Widows website at www.scottishwidows.co.uk and on such other media that the ACD shall in its discretion decide in accordance with the FCA Rules. Prices of all Share Classes are also available daily by telephoning the ACD on lo-call number 0345 300 2244. Further details of where the prices are published are available from the ACD. Shares are, however, issued on a forward pricing basis and not on the basis of the published prices.

6. Sale, Redemption, Conversion and Switching of Shares

The dealing office of the ACD is open from 9 a.m. until 5 p.m. Greenwich Mean Time (UK) on each Dealing Day in respect of a Fund to receive requests for the sale, redemption and Conversion and Switching of Shares in relation to that Fund. The ACD may, in accordance with the FCA Rules, identify a point in time in advance of a Valuation Point ("a cut-off point") after which it will not accept instructions to sell or redeem Shares at that Valuation Point. For requests made by telephone or electronic platform, dealing on the last working day before Christmas Day and New Year's Day will cease at 12.00 noon.

For the purpose of dealing in Shares, all investors will be regarded as retail clients. This does not however restrict the type of Shares that can be invested into nor determine whether investors will be eligible complainants or eligible claimants for the purposes of FCA complaints and compensation rules.

Currently, transfers of title to Shares may not be effected on the authority of an electronic communication.

Sale of Shares

Shares can be bought either by sending a completed application form to the ACD at 15 Dalkeith Road, Edinburgh EH16 5WL, by telephoning the ACD on 0345 845 0066 or through approved electronic dealing platforms available to certain types of investor. Application forms may be obtained from the ACD. The ACD may in future introduce further facilities to apply for Shares on-line.

The ACD has the right to reject, if it has reasonable grounds for refusing to sell Shares to the applicant (for example for market timing reasons as outlined below under “Market Timing” or money laundering purposes as outlined below under 'Other Dealing Information') any application for Shares in whole or part and in this event the ACD will return any application monies sent, or the balance of such monies, at the risk of the applicant. The ACD is also not obliged to sell Shares where payment is not received with an application for Shares.

Any application monies remaining after a whole number of Shares has been issued will not be returned to the applicant. Instead, smaller denomination Shares will be issued in such circumstances. Each smaller denomination Share is equivalent to one thousandth of a Share.

The amount payable on the purchase of a Share will equal the sum of the price of the Share calculated on the basis set out in part 5 and any preliminary charge.

Preliminary Charge

The ACD may make (and retain) a preliminary charge on the sale of Shares to be borne by Shareholders. The current level of the preliminary charge is calculated as a percentage of the amount invested. The current level of the preliminary charge in respect of each Class is set out in Appendix D. The ACD may only increase the preliminary charge in accordance with the FCA Rules, the relevant provisions of which are set out below in Part 7.

A contract note giving details of the Shares purchased and the price used will be issued by the end of the business day following the later of receipt of the application to purchase Shares or the Valuation Point by reference to which the purchase price is determined, together with, where appropriate, a notice of the applicant's right to cancel.

If payment has not already been made, settlement will be due on receipt by the purchaser of the contract note.

Share certificates will not be issued in respect of Shares. Ownership of Shares will be evidenced by an entry on the Register. Periodic statements issued once a year will show the number of Shares held by the recipient. Individual statements of a Shareholder's Shares will also be issued at any time on request from the registered Shareholder (in the case of joint holders, such request may be made by any one of the joint holders). Statements shall be sent to the first named joint holder, where Shares are held jointly.

If a Shareholder requires evidence of title to Shares, the ACD or the Registrar will (on behalf of the Company) upon such proof of identify as is considered appropriate, supply a certified copy of the entry in the Register relating to his Shares (and, subject to the OEIC Regulations and the FCA Rules, a charge may be imposed for such supply).

Details of the minimum initial lump sum investment in each Class of each Fund and the minimum amount of any lump sum addition to a holding in the same Class of the same Fund are set out in Appendix D (in the sections "Minimum Initial Investment" and "Minimum Subsequent Investment" respectively) but the ACD may, at its absolute discretion, accept investments lower than the relevant minimum. If the value of a Shareholder's holding of Shares of a Class falls below the minimum holding (which is set out in Appendix D in respect of each Fund), his entire holding may be redeemed compulsorily by the ACD.

Shares may not be issued other than to a person who, in writing to the ACD, shall, (a) represent that they are not a US person and are not purchasing the Shares for the account or benefit of a US Person, (b) agree to notify the ACD promptly if, at any time while they remain a holder of any Shares, they should become a US Person or shall hold any Shares for the account of benefit of a US Person, and (c) agree to compensate the Company and the ACD from and against any losses, damages, costs or expense arising in connection with a breach of the above representation and agreements.

Market Timing

Market timing activities are disruptive to fund management, may lead to additional dealing charges which cause losses/dilution to a Fund and may be detrimental to performance and to the interests of long term Shareholders. Accordingly the ACD may in its absolute discretion reject any application for subscription, redemption or switching of Shares from applicants that it considers to be associated with market timing activities.

In general terms, market timing activities are strategies which may include frequent purchases and sales of Shares with a view to profiting from anticipated changes in market prices between Valuation Points or arbitraging on the basis of market price changes subsequent to those used in the valuation of a Fund.

Cancellation Rights

An investor entering into a contract to purchase Shares from the ACD does not have any rights of cancellation under COBS (Chapter 15), unless the contract was arranged via a Lloyds Banking Group authorised representative, Scottish Widows direct sales adviser or other intermediary. In this case there is a 30 day option to cancel the investment. The ACD may offer other investors the right to cancel their contract - in which case there is generally a 30-day option to cancel. Investors opting to cancel may receive less than their original investment if the Share price has fallen subsequent to their initial purchase.

Redemption of Shares

Subject as mentioned below under "Suspension of Dealings in Shares" in this Part 6 or unless the ACD has reasonable grounds to refuse, every Shareholder has the right on any Dealing Day in respect of a particular Fund to require that the Company redeems all or (subject as mentioned below) some of his Shares of a particular Class.

Requests to redeem Shares must be made to the ACD by telephone on 0345 845 0066 (in which case the identification procedures and controls required by the ACD from time to time must be satisfied), in writing signed by the Shareholder (or, in the case of joint Shareholders, each of them) sent to the ACD at 15 Dalkeith Road, Edinburgh EH16 5WL or through approved electronic dealing platforms available to certain types of investor and, in each case, must specify the number and Class of the Shares to be redeemed and the Fund to which they relate. Where a redemption request is made by telephone or electronic platform the Shareholder (or, in the case of joint Shareholders, each of them) must complete and sign a renunciation of title form (available on request from the ACD) and send it to the ACD at the address stated in this paragraph. The ACD will not release the proceeds of the redemption to the Shareholder, until a renunciation of title form is received.

Redemption requests that are made by telephone or electronic platform will be irrevocable and will be processed during or immediately after the conclusion of the telephone call.

Where a redemption request is made by telephone or electronic platform the Shareholder (or, in the case of joint Shareholders, each of them) must complete and sign a renunciation of title form (available on request from the ACD) and send it to the ACD at the address stated in the paragraph above. The ACD will not release the proceeds of the redemption to the Shareholder until an original renunciation of title form is received. The ACD will not accept facsimile renunciation of title forms.

Where the Shareholder wishes to redeem part (rather than the whole) of his holding of Shares, the ACD may decline to redeem those Shares (and the Shareholder may, therefore, be required to redeem his entire holding of those Shares) if either (1) the number or value of Shares which he wishes to redeem would result in the Shareholder holding Shares in a Fund with a value less than the minimum holding specified in Appendix D in respect of that Fund or (2) the value of the Shares in a Fund which the Shareholder wishes to redeem is less than the minimum partial redemption (if any) specified in Appendix D in respect of that Fund.

Payment of the redemption monies will be made:-

(a) in the case of a written redemption request (which, in the case of joint Shareholders, must be signed by each of them), within four business days after the later of (a) receipt by the ACD of the written redemption request and (b) the Valuation Point following receipt by the ACD of the request to redeem; and

(b) in the case of a telephone or electronic redemption request, within four business days after receipt by the ACD of written confirmation (which, in the case of joint Shareholders, must be signed by each of them) of the telephone or electronic redemption request.

Please note however that the ACD reserves the right to request additional information or proof of identity, in order to validate elements of the transaction and to comply with any relevant money laundering regulations. This may delay the despatch of any redemption proceeds to the Shareholder. Until this information or proof is provided the ACD reserves the right to refuse to redeem shares or to delay processing and/or withhold any payments due to investors in respect of their investment and to discontinue any deals it is conducting on behalf of those investors. No interest will be payable in respect of sums held pending receipt of such information or proof.

The amount received on the redemption of a Share will equal the price per Share calculated on the basis set out above less any redemption charge.

Not later than the end of the business day following the later of the receipt of the written redemption request or the telephone or electronic redemption request and the Valuation Point by reference to which the redemption price is determined, a contract note giving details of the number, Class and price of the Shares redeemed will be sent to the redeeming Shareholder (or the first-named, in the case of joint Shareholders) together with (if sufficient written instructions have not already been given) a form of renunciation for completion and execution by the Shareholder (or, in the case of joint Shareholders, by all of them).

Redemption Charge

The ACD may make (and retain) a charge on the redemption of Shares to be borne by Shareholders. At present no redemption charge is levied.

The ACD may only introduce a redemption charge on the Shares or make a change to the rate or method of calculation of a redemption charge once introduced in accordance with the FCA Rules. Any redemption charge introduced will apply only to Shares sold since its introduction.

Conversion and Switching

A holder of Shares may, subject as mentioned below, at any time:

(i) Convert all or some of his Shares of one Class in a Fund for another Class of Shares in the same Fund; or

(ii) Switch all or some of his Shares in a Fund for Shares in relation to another Fund.

Conversions

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

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

The ACD will carry out instructions to Convert Shares as soon as possible but this may not be at the next Valuation Point and instructions may be held over and processed with Conversion instructions given by other Shareholders. Shareholders should contact the ACD for further information on when a Conversion may be effected.

There is currently no fee on a Conversion but the ACD reserves the right to introduce such a fee at its discretion and subject to compliance with the FCA Rules.

The number of Shares to be issued in the new Class will be calculated relative to the last known price of the Shares being Converted and the Shares being issued.

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

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

Switches

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

No Switch will be effected during any period when the right of Shareholders to require the redemption of their Shares is suspended.

Switching requests must be made to the ACD by telephone on 0345 845 0066 (in which case the identification procedures and controls required by the ACD from time to time must be satisfied) or in writing sent to the ACD at 15 Dalkeith Road, Edinburgh EH16 5WL and must specify (1) the number and Class of the Original Shares to be Switched, (2) the Fund to which the Original Shares relate and (3) the Class of the New Shares and the Fund to which they relate. Switching requests made by telephone must be confirmed in writing (which, in the case of joint Shareholders, must be signed by all the joint Shareholders) sent to the ACD at the address stated in this paragraph. Switching forms may be obtained from the ACD and the Shareholder may be required to complete a Switching form (which, in the case of joint Shareholders, must be signed by all the joint Shareholders) and receipt by the ACD of a duly completed and signed Switching form may be required by the ACD before the Switch will be effected.

With effect from 1st July 2012, Switching requests will require to be made to the ACD by sending a completed Switch application form (which may be obtained from the ACD) to the ACD at 15 Dalkeith Road, Edinburgh EH16 5WL or by telephone on 0345 845 0066.

A Switch will be effected at the next Valuation Point following the time at which the Switching request or (if required by the ACD) the duly completed and signed Switching form is received by the ACD or at such other Valuation Point as the ACD may agree at the request of the Shareholder. Where the Switch is between Shares of Funds that have different Valuation Points, the cancellation or redemption of the Original Shares shall take place at the next Valuation Point of the Fund to which the Original Shares relate following receipt (or deemed receipt) by the ACD of the Switching request or the duly completed and signed Switching form and the issue or sale of the New Shares shall take place at the next subsequent Valuation Point of the Fund to which the New Shares relate. Shareholders should note that where a Switch takes place between Funds which have different Valuation Points, their money will not be invested between the time their Shares in one Fund are redeemed and the time at which New Shares are purchased. Shareholders may suffer a loss if the markets move during this period.

Switching Fee

On the Switching of Shares for Shares relating to another Fund the ACD may impose a Switching fee to be borne by Shareholders (out of the value of the Original Shares being redeemed as a result of the Switch). The fee will not exceed an amount equal to the preliminary charge then applicable to the New Shares being acquired as a result of the Switch. The ACD does not currently charge a fee on a Switch.

If the Switch would result in the Shareholder holding a number of Original Shares or New Shares of a value which is less than the minimum holding specified in Appendix D in respect of the Fund concerned, the ACD may, if it thinks fit, convert the whole of the Shareholder's holding of Original Shares into New Shares or refuse to effect the requested Switch of the Original Shares. The ACD shall refuse to effect a requested switch by a Shareholder if any other conditions attached to the purchase or holding of New Shares are not satisfied with respect to that Shareholder or if the ACD has reasonable grounds for refusing the request.

The number of New Shares to which the Shareholder will become entitled on a Switch will be determined by reference to the respective prices of New Shares and Original Shares at the Valuation Point applicable at the time the Original Shares are cancelled or redeemed or, where the Switch is between Shares of Funds that have different Valuation Points, by reference to the price of Original Shares at the Valuation Point applicable at the time the Original Shares are cancelled or redeemed and by reference to the price of New Shares at the Valuation Point applicable at the time of the issue or sale of the New Shares.

The ACD may at its discretion adjust the number of New Shares to be issued to reflect the imposition of any Switching fee together with any other charges or in respect of the issue or sale of the New Shares or repurchase or cancellation of the Original Shares as may be permitted pursuant to the FCA Rules and this Prospectus.

A Switch of Shares in one Fund for Shares in another Fund is treated as redemption and sale and will, for persons subject to UK taxation, be a realisation for the purposes of the taxation of capital gains.

A Shareholder who Switches Shares in one Fund for Shares in another Fund will not, in any circumstances, be given a right by law to withdraw from or cancel the transaction.

Other Dealing Information

Money Laundering

As a result of legislation in force in the United Kingdom to prevent money laundering, persons conducting investment business are responsible for compliance with money laundering regulations. Accordingly, in certain circumstances individuals may be asked to provide proof of identity when buying or selling Shares and, until satisfactory proof of identity is provided, the ACD reserves the right to refuse to issue or redeem Shares or to delay processing and/or withhold any payments due to individuals in respect of their investment and to discontinue any deals it is conducting on behalf of those individuals. The ACD also reserves the right to request additional information or proof of identity, in order to validate any element of a transaction(s) and to comply with any relevant money laundering regulations. In applying to buy Shares an individual gives permission to access this information in accordance with the Data Protection Act 1998.

In order to meet this requirement and for the prevention and detection of fraud, the ACD will access information from a credit reference agency* to confirm an individual's identity. They will authenticate an individual's name and address, which involves checking the details an individual supplies against those held on any databases that the company carrying out the checks on the ACD's behalf (or any similar company) has access to. This includes information from the Electoral Register. The ACD will use scoring methods to authenticate an individual's identity. Any search will not be used by lenders or insurers when assessing lending or insurance risks. Information may also be passed to financial and other organisations involved in money laundering and fraud prevention to protect the ACD and customers from theft and fraud. If false or inaccurate information is given and fraud is suspected, this will be recorded and shared with other organisations.

If an individual provides the ACD with information about another person, the individual providing the information confirms that they have been appointed to act for that person to consent to the processing of their personal data. This means that the other person will have been informed of the ACD's identity and the purpose for which their personal data will be processed, namely to verify their name and address. Where the ACD receives notification affecting the legal ownership of the plan, or the appointment of an attorney under a Power of Attorney or other circumstances where there are new parties associated with the contract, the same process as set out above will apply.

Please note that if an individual's name and address cannot be confirmed by using a credit reference agency the ACD may contact that individual to ask them to supply certain documents to verify their name and address. If asked, the ACD will advise which credit reference agency has been used to enable that individual to get a copy of their details from them.

*** please note the ACD only uses this agency to verify identity to fulfil anti-money laundering regulations and not to check credit worthiness.**

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 circumstances (the “relevant circumstances”):

1. which constitutes a breach of the law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory; or

2. which would require the Company, the ACD or the Investment Manager to be registered under any law or regulation of any country or territory or cause the Company to apply for registration or comply with any registration requirements in respect of any of its Shares whether in the US or any other jurisdiction in which it is not currently registered; or

3. which would (or would if other Shares were acquired or held in like circumstances), in the opinion of the ACD, result in the Company, its Shareholders, the ACD or the Investment Manager incurring any liability to taxation or suffering any other legal, regulatory, pecuniary or other adverse consequence which it or they might not have otherwise suffered;; or

4. where such person is a US Person or is holding the Shares for the account or benefit of a US Person.

For the purposes of the “relevant circumstances” above, “Investment Manager” shall include the Investment Adviser and any other person appointed by the ACD and/or the Company to provide investment management and/or investment advisory services in respect of the Scheme Property of the Company or in respect of the Fund.

In connection with the relevant circumstances, the ACD may, inter alia, reject at its discretion any application for the purchase, sale, or switching of Shares.

If it comes to the notice of the ACD that any Shares ("affected Shares") are owned whether beneficially or otherwise in any of the relevant circumstances or if it reasonably believes this to be the case, the ACD may give notice to the holder(s) of the affected Shares requiring the transfer of such Shares to a person who is qualified or entitled to own them or the Switch, where possible, of the affected Shares for other Shares the holding or acquisition of which would not fall within any of the relevant circumstances ("non-affected Shares") or that a request in writing be given for the redemption or cancellation of such Shares in accordance with the FCA Rules. If any person upon whom such a notice is served does not within 30 days after the date of such notice transfer his affected Shares to a person qualified to own them or Switch his affected Shares for non-affected Shares or establish to the satisfaction of the ACD (whose judgment is final and binding) that he and any person on whose behalf he holds the affected Shares are qualified and entitled to own the affected Shares, he shall be deemed upon the expiration of that 30 day period to have given a request in writing for the redemption or cancellation of all the affected Shares pursuant to the FCA Rules.

A person who becomes aware that he is holding or owns (whether beneficially or otherwise) affected Shares in any of the relevant circumstances shall forthwith, unless he has already received a notice as aforesaid, either transfer all his affected Shares to a person qualified to own them or, where possible, Switch the affected Shares for non-affected Shares or give a request in writing for the redemption or cancellation (at the discretion of the ACD) of all his affected Shares pursuant to the FSA Rules.

If:-

(a) at any time when Shares in respect of which income is allocated or paid without deduction of UK income tax ("gross paying shares") are in issue, the Company or the ACD becomes aware that the holder of such gross paying shares has failed or ceased to be entitled to have income so allocated or paid; or

(b) at any time the Company or the ACD becomes aware that the holder of any Shares has failed or ceased for whatever reason to be entitled to hold those Shares;

the Company shall, without delay, treat the Shareholder concerned as if he had served on the Company a switching notice requesting Switching of all such Shares owned by such Shareholder for Shares (which in the case of a holder referred to in (a) above shall be Shares in respect of which income is allocated or paid net of tax ("net paying shares")) of the Class or Classes which, in the opinion of the ACD, most nearly equates to the Class or Classes of Shares originally held by that Shareholder.

If:-

(a) at any time when gross paying shares are in issue, a Shareholder who holds gross paying shares fails or ceases to be entitled to have income so allocated or paid without deduction of UK income tax; or

(b) at any time the holder of any Shares fails or ceases for whatever reason to be entitled to hold those Shares;

he shall, without delay, give notice thereof to the Company and the Company shall, upon receipt of such a notice (if no request has been made for the transfer or repurchase of such Shares) treat the Shareholder concerned as if he had served on the Company a switching notice requesting Switching of all such Shares owned by such Shareholder for Shares (which in the case of a Shareholder referred to in (a) above shall be net paying shares) of the Class or Classes which, in the opinion of the ACD, most nearly equates to the Class or Classes of Shares originally held by that Shareholder.

Issue of Shares in Exchange for In Specie Assets

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

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

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

In Specie Redemptions

If a Shareholder requests the redemption or cancellation of Shares and the ACD considers the same to be substantial in relation to the total size of the Fund concerned, the ACD may arrange that, instead of payment of the price of the Shares in cash, the Company cancels the Shares and transfers to the Shareholder assets out of the Scheme Property of the relevant Fund or, if required by the Shareholder, the net proceeds of sale of those assets.

Before the proceeds of the cancellation of Shares become payable, the ACD must give written notice to the Shareholder that assets out of the Scheme Property of the relevant Fund (or the net proceeds of sale thereof) will be transferred to that Shareholder.

The ACD will select in consultation with the Depositary the assets within the Scheme Property of the relevant Fund to be transferred or sold. The Depositary may pay out of the Scheme Property assets other than cash as payment for cancellation of Shares only if it has taken reasonable care to ensure that the property concerned would not be likely to result in any material prejudice to the interests of Shareholders.

The assets within the Scheme Property of the relevant Fund to be transferred (or the proceeds of sale thereof) shall be subject to the retention by the Depositary of Scheme Property including cash of a value or amount equivalent to any redemption charge to be paid in relation to the cancellation of Shares.

Client money

In exceptional circumstances, for example where Shares cannot be allocated to Shareholders following their sale, or the proceeds of redemption cannot be remitted to Shareholders following their redemption, money in respect of such Shares will be transferred to a client money bank account until such transactions can be completed. Money transferred to a client money bank account will be held in accordance with the CASS Rules. The purpose of utilising client money bank accounts is to protect investors should the ACD become insolvent during such a period. No interest will be paid on money held in these client money bank accounts.

In the event that there is no contact from the Shareholder for a period of 6 years despite reasonable attempts by the ACD to trace the Shareholder concerned, such money will cease to be treated as client money. Should the Shareholder concerned subsequently contact the ACD and make a valid claim, the ACD will reimburse the money to the Shareholder. No interest will be payable on money reimbursed in such circumstances.

Exemption from the Financial Conduct Authority (FCA) client money rules

The ACD may choose to make use of the “Delivery Versus Payment” exemption within the FCA’s client money and asset (CASS) rules. This means that when Shares are purchased or redeemed there could be a period of time (up to close of business the day after the ACD has received the proceeds from any such transaction) where the payment or redemption monies for these Shares is not protected under the CASS rules. If in the unlikely event that the ACD became insolvent during this period, there is a risk that the impacted investor may not receive back the payment or redemption monies.

Suspension of Dealings in Shares

The ACD may with the agreement of the Depositary (and must if the Depositary so requires) temporarily suspend the issue, cancellation, sale and redemption of Shares of any one or more Classes in any or all of the Funds if the ACD, or the Depositary in the case of any requirement by the Depositary, is of the opinion that due to exceptional circumstances it is in the interests of all the Shareholders.

At the time of suspension, the ACD, or the Depositary if it has required the ACD to suspend dealing in Shares, must inform the FCA immediately stating the reasons for its actions and, as soon as is practicable, give the FCA written confirmation of the suspension and the reasons for it.

The ACD will notify shareholders of the suspension as soon as practicable after suspension commences.

During a suspension the obligations relating to the issue, sale, cancellation and redemption of Shares contained in Chapter 7 of the FCA Rules will cease to apply and the ACD must comply with as many of the obligations relating to valuation of assets as is practicable in the light of the suspension.

During any period of suspension, the ACD may agree to issue, redeem or Convert or Switch shares at a price calculated by reference to the first Valuation Point after the end of the suspension. Any deals outstanding prior to the suspension shall be undertaken at a price calculated by reference to the first Valuation Point after the suspension.

In accordance with Chapter 7 of the FCA Rules, suspension of dealing in Shares must cease as soon as practicable after the exceptional circumstances have ceased and the ACD and Depositary must formally review the suspension at least every 28 days and must inform the FCA of the results of this review.

The calculation of Share prices will recommence as at the next Valuation Point following the ending of the suspension.

Governing Law

All dealings in Shares will be governed by English law.

7. Fees and Expenses

The Company, the Depositary, the Custodian, the ACD, the Investment Adviser, the Auditor or any other "affected person" are not liable to account to each other or to Shareholders for any profits or benefits made or received which derive from or in connection with dealings in the shares, or any transaction in the Scheme Property or the supply of services to the Company.

General

The Company may also pay the following expenses (including value added tax, where applicable) out of the property of any one or more of the Funds:

(a) the fees and expenses payable to the ACD and to the Depositary (as set out below);
(b) fees and expenses in respect of establishing and maintaining the Register and any plan registers and related functions (whether payable to the ACD or any other person);
(c) the fees and expenses payable to the Sub-Advisers (as set out below);
(d) expenses incurred in acquiring and disposing of investments;
(e) expenses incurred in distributing income to Shareholders;
(f) fees in respect of the publication and circulation of details of the Net Asset Value of each Fund and each Class of Shares of each Fund;
(g) the fees and expenses of the auditors and legal, tax and other professional advisers of the Company and of the ACD (including the fees and expenses of providers of advisory services in relation to class actions);
(g) the costs of convening and holding meetings of Shareholders (including meetings of Shareholders in any particular Fund or in any particular Class within a Fund);
(h) the costs of printing and distributing reports, accounts and any Prospectus and Key Investor Information Document (which for the avoidance of doubt does not include any costs relating to the distribution of the Key Investor Information Document);
(i) the costs of publishing prices and other information which the ACD is required by law to publish and any other administrative expenses;
(j) taxes and duties payable by the Company;
(k) interest on and charges incurred in relation to borrowings;
(l) any amount payable by the Company under any indemnity provisions contained in the Instrument of Incorporation or any agreement with any of the persons mentioned above under Part 2 above ("Management and Administration");
(m) fees of the FCA under Schedule 1, Part III of the Act and the corresponding periodic fees of any regulatory authority in a country or territory outside the United Kingdom in which Shares are or may be marketed or in relation to the key investor information documents;
(n) fees and expenses in connection with the listing of Shares on any stock exchange;
(p) any costs incurred in modifying the Instrument of Incorporation or the Prospectus (including periodic updates of the Prospectus);
(q) any expenses properly incurred by the Depositary in performing duties imposed upon it (or exercising powers conferred on it) by the FCA Rules or the OEIC Regulations. The relevant duties include (but are not limited to) the delivery of stock to the Depositary or the Custodian, the custody of assets, the collection of income, the submission of tax returns, the handling of tax claims, the preparation of the Depositary's annual report and any other duties the Depositary is required to perform by law;
(r) insurance which the Company may purchase and/or maintain for the benefit of and against any liability incurred by any directors of the Company in the performance of their duties;

(s) liabilities on amalgamation or reconstruction arising where the property of a body corporate or another collective investment scheme is transferred to the Depositary in consideration for the issue of Shares to the shareholders in that body or to participants in that other scheme, provided that any liability arising after the transfer could have been paid out of that other property had it arisen before the transfer and, in the absence of any express provision in the Instrument of Incorporation forbidding such payment, 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 transfer;

(t) any costs incurred in forming a Fund or a Class of Shares;

(u) any costs and expenses incurred in registering, having recognised or going through any other process in relation to the Company or any Fund in any territory or country outside the United Kingdom for the purposes of marketing Shares of the Company or any Fund in such territory or country (including any costs and expenses incurred in translating or having translated the Instrument of Incorporation, the Prospectus and any other document);

(v) any costs and expenses incurred in relation to the winding up of a Fund or the Company; and

(w) any other costs or expenses that may be taken out of the Company's property in accordance with the FCA Rules.

Expenses will be allocated between capital and income in accordance with the FCA Rules.

In the event that any expense, cost, charge or liability which would normally be payable out of income property attributable to a Class or Fund cannot be so paid because there is insufficient income property available for that purpose, such expense, cost, charge or liability may be paid out of the capital property attributable to that Class or Fund.

For the Multi-Manager Global Real Estate Securities Fund and Multi-Manager UK Equity Income Fund, the ACD and the Depositary have agreed that all or part of the fees, expenses and charges referred to above and below in this Part 7 which are payable out of the Funds' property may be paid out of the capital property of the relevant Fund. Currently, in respect of Multi-Manager Global Real Estate Securities Fund and Multi-Manager UK Equity Income Fund all such fees, expenses and charges are paid out of the capital property of the relevant Fund, but the ACD may at any time during any accounting period vary the amount of such fees, expenses and charges that are allocated to either income or capital property at its sole discretion. Currently, for each Fund other than the Multi-Manager Global Real Estate Securities Fund and Multi-Manager UK Equity Income Fund, such fees, expenses and charges are allocated first to income and any remainder to capital.

Treating these fees, expenses and charges as a capital charge may erode the capital or may constrain future capital growth.

Charges payable to the ACD

In payment for carrying out its duties and responsibilities the ACD is entitled to receive out of the assets of each Fund an annual management charge which accrues daily in respect of successive daily accrual intervals, is reflected in the value of the Shares on a daily basis and is paid out of each Fund at monthly intervals. The annual management charge is calculated separately in respect of each Class of Shares in relation to a Fund as a percentage rate per annum of the proportion attributable to that Class of the Net Asset Value of that Fund. It is calculated on a daily basis by reference to that proportion of the Net Asset Value of that Fund at the first or only Valuation Point on the previous Dealing Day in respect of that Fund or if there is no Valuation Point on such previous Dealing Day, the Net Asset Value of that Fund at the beginning of such previous Dealing Day (but, in respect of the first day on which there is property in that Fund, there will be no annual management charge). The current rate of annual management charge in respect of each Class of Share in relation to each Fund are set out in Appendix D. Any value added tax on the annual management charge will be added to that charge.

On a winding up of the Company or a Fund or on the redemption of a Class of Shares of a Fund, the ACD is entitled to its pro rata fees and expenses (including expenses incurred in relation to such winding up or redemption) to the date of termination and any additional expenses necessarily realised in settling or receiving any outstanding obligations.

The ACD is also entitled to all reasonable, properly vouched out-of-pocket expenses incurred in the performance of its duties (including the fees and expenses of providers of administration services in relation to class actions).

The ACD may only increase its remuneration for its services in accordance with the FCA Rules.

Where a Fund invests in collective investment schemes, such underlying investments will normally incur management fees and expenses including a periodic management charge. Certain underlying funds may also charge performance fees.

Remuneration Policy

The ACD has in place a remuneration policy (the "Remuneration Policy") that satisfies the requirements of SYSC 19E of the FCA Handbook (UCITS Remuneration Code) and is governed by the Remuneration Committee (the "Committee"). The Committee comprises Non-Executive Directors from a wide background to provide a balanced and independent view on remuneration matters.

The Remuneration Policy is designed to ensure that the ACD's remuneration practices are:

(a) consistent with and promote sound and effective risk management;
(b) provide a clear link between pay and performance;
(c) attract and retain staff of the highest calibre;
(d) do not encourage risk taking and are consistent with the risk profiles, the Instrument of Incorporation or Prospectus of the UCITS funds it manages;
(e) do not impair the ACD's compliance with its duty to act in the best interests of those UCITS; and
(f) include fixed and variable components of remuneration including salaries and discretionary pension benefits (although the policy is not to offer discretionary pension benefits).

The ACD considers the Remuneration Policy to be appropriate to the size, internal organisation and the nature, scope and complexity of the ACD's activities.

The Remuneration Policy is in line with the long-term business strategy, business objectives, risk appetite, values and interests of:

- the ACD;
- the UCITS it manages; and
- the Shareholders;

and includes measures to avoid conflicts of interest.

The matters covered by the Remuneration Policy include:

- the Group "Reward Principles"
- the restrictions on the awarding of guaranteed variable remuneration;
- the criteria for setting fixed and variable remuneration;
- details of long term incentive plans; and
- reference is also made to managing deferral and performance adjustment.

The Remuneration Policy will apply to the fixed and variable (if any) remuneration received by the staff covered by the Remuneration Policy (known as Remuneration Code Staff).

Up-to-date details of the Remuneration Policy are available to be viewed at the following location:

group remuneration policy

Details of the Remuneration Committee are available in the most recent Directors' Remuneration Report, contained within the Annual report and available via the link below:

2016 Annual report

Paper copies of these documents will be made available free of charge on request.

Depositary's Fee

The Depositary is entitled to receive out of the property of each Fund, by way of remuneration, a periodic charge which is calculated, accrued and paid on the same basis as the ACD's annual management charge. The rate or rates of the Depositary's periodic charge in respect of each Fund shall be agreed between the ACD and the Depositary from time to time in accordance with the FCA Rules. The current rate charged in respect of each Fund will not exceed 0.01% per annum of the Net Asset Value of the relevant Fund calculated on each Dealing Day.

With effect on and from 18 March 2016, the rate charged per annum on the value of the relevant Fund, represented by the Net Asset Value of the Fund calculated on each Dealing Day will be 0.0090% plus VAT (if any).

Value Added Tax (if any) on the amount of the periodic charge will be paid out of each Fund in addition.

The Depositary Agreement between the Company and the Depositary provides that in addition to a periodic charge the Depositary may also be paid, by way of remuneration, custody fees where it acts as Custodian and other transaction and bank charges. The amount of such fees and charges shall be as agreed from time to time by the Company and the Depositary in accordance with the FCA Rules. At present the Depositary does not itself act as Custodian.

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

(i) the charges and expenses payable to State Street Bank and Trust Company ("SSBTC") to whom the Depositary has delegated the function of custody of the Scheme Property, such charges being the subject of agreement between the Depositary, the Company and SSBTC (subject to the FSA Rules) from time to time. As custodian of the Scheme Property SSBTC will be paid custody and other transaction charges plus VAT (if any) together with out of pocket expenses. The remuneration for acting as custodian is calculated at such rates and/or amounts as the Company, the Depositary and the Custodian may from time to time agree based on the market value of the stock involved plus VAT (if any). In addition the custodian makes a transaction charge (plus VAT (if any)) determined by the territory, or country in which the transaction is effected. The cost of custody generally depends upon the market value of the stock involved. The cost of custody currently ranges from 0.0009% to 0.4275% per annum of the market value of the stock involved plus VAT (if any) and the current range of transaction charges is between £2.16 and £118.75 plus VAT (if any).

(ii) all charges imposed by, and any expenses payable to, any agents appointed by the Depositary to assist in the discharge of its duties.

(iii) all charges and expenses incurred in connection with the collection and distribution of income.

(iv) all charges and expenses incurred in relation to the preparation of the Depositary's annual report to Shareholders.

(v) all charges and expenses incurred in relation to stock lending, repo or other transactions.

- fees and expenses payable to any professional adviser advising or assisting the Depositary, when deemed necessary in connection with the proper performance of its duties (except to the extent that such advice is required as a result of any failure by the Depositary or its officers, directors, employees or delegates to perform its duties under the Depositary Agreement or applicable law or regulation).

Investment Adviser's Fee

The Investment Adviser will be paid by the ACD out of its annual management fee.

Sub-Advisers' Fees

In respect of the Russell Multi-Manager Funds, Russell will be paid by the Fund and the Russell Sub-Advisers appointed by Russell will be paid by Russell.

In respect of the AIS Multi-Manager Funds, the AIS Sub-Advisers appointed by the Investment Adviser will be paid by the Fund.

Each AIS Sub-Adviser and Russell (the "**Sub-Advisers**") that may be appointed from time to time in respect of a Fund will be paid an annual management fee as a percentage of the net asset value of the proportion of the relevant Fund which is managed by that Sub-Adviser. The aggregate fees payable by the Fund for Sub-Advisers shall not exceed 0.6% of the assets under management for the Fund (the "**Sub-Adviser Fee Cap**"). To the extent that the fees for the Sub-Advisers exceed the Sub-Adviser Fee Cap the excess sum over and above that Sub-Adviser Fee Cap shall be borne by the ACD and not by the Fund. The fees of each Sub-Adviser appointed to the Funds from time to time will be borne by the relevant Fund and will be calculated, accrued and paid on the same basis as the ACD's annual management charge

Registrar's Fee

In respect of registration duties, remuneration in the form of a registration charge is permitted to be paid out of the Scheme Property to the ACD (plus VAT) (if any). This registration charge is calculated, accrued and paid on the same basis as the ACD's annual management charge. The rate of the registration charge as at that date will be up to 0.1% per annum of the Net Asset Value of each Class of Shares in the relevant Fund (plus VAT) (if any). The ACD will pay the fees of the Registrar from the ACD's registration charge.

Administrator's Fee

In respect of the services it provides as Administrator a fee will be paid to the Administrator (plus VAT (if any). In all Funds the Administrator's Fee is calculated and accrues daily and is paid monthly out of the ACD's annual management charge.

Auditor's Fee

The Auditors will be paid a fee for each Fund in payment for carrying out its duties as Auditor. Any such fees are subject to annual review. For the accounting year 1 November 2014 – 31 October 2015 the fee for each Fund ranges between £7,900 and £14,500, plus VAT (if any). These fees are (unless otherwise stated) payable per Fund out of the Scheme Property. The ACD may, at its discretion from time to time choose whether or not to bear the Auditors' fees for any of the Funds in whole or in part. The Auditors' fee accrues daily and is paid annually.

Introduction or increase of remuneration of Depositary or Custodian

Remuneration payable out of the Scheme Property to the Depositary or Custodian can only be introduced or increased in accordance with the FCA Rules.

Stock Lending Income

All revenue arising from Stock Lending, net of direct and indirect operational costs, is paid to the particular Fund involved in such transaction. This equates to at least 75% of the gross revenue.

The ACD has engaged State Street Bank & Trust Company (SSBTC), who is a related party to the Depositary, to carry out stock lending activity and services on behalf of the Funds. SSBTC will receive 20% of the revenue generated to cover direct operational costs. The ACD also receives 5% of this sum to cover their own operational costs for arranging this activity.

Any other income or capital generated by efficient portfolio management techniques will be paid to the Fund.

8. Accounting and Income

Accounting Periods

The annual accounting period of the Company will end on 30th September ("the accounting reference date") in each year. The half-yearly accounting period will end on 31st March in each year. For the purposes of the accounting period 2013 to 2014, the annual accounting period will temporarily be extended to end on an accounting reference date of 31st October 2014. Thereafter the annual accounting period for 2014 to 2015 and beyond shall end on an accounting reference date of 30th September.

Annual Reports

Annual long reports of the Company will be published within four months following the end of the annual accounting period. Half-yearly long reports will be published within two months following the end of the half-yearly accounting period.

Copies may be inspected at the offices of the ACD at 15 Dalkeith Road, Edinburgh, EH16 5WL. Copies may also be obtained from the ACD at that address. Shareholders are entitled to apply for and receive the long form reports.

Income

Allocations of income are made in respect of the income available for allocation in each accounting period (whether annual or interim). The annual and interim income allocation dates, if any, for each Fund are given in Appendix D. Allocations of income for each Fund will be made on or before the relevant income allocation date. Payment of income distributions will normally be made by bank transfer (BACS) but may be made by cheque.

The amount available for allocation in respect of any Fund in any accounting period will be calculated in accordance with the FCA Rules by taking the aggregate of the income received or receivable for the account of the relevant Fund in respect of that period and deducting the charges and expenses of the relevant Fund paid or payable out of income in respect of that accounting period and adding the ACD's best estimate of any relief from tax on such charges and expenses. The ACD will then make such other adjustments as it considers appropriate (and after consulting the Company's auditors as appropriate) in relation to taxation, income equalisation, income unlikely to be received within 12 months following the relevant income allocation date, income which should not be accounted for on an accrual basis because of lack of information as to how it accrues, transfers between the income and capital account and any other adjustments (including for reimbursement of set up costs) which the ACD considers appropriate after consulting the Company's auditors. The ACD does not currently intend to operate smoothing of income distributions.

The Company will allocate the amount available for allocation between the Classes of Shares in issue relating to a Fund in accordance with the respective proportionate interests of each such Class of Shares calculated in the manner described in Appendix C.

If a distribution payment of a Fund remains unclaimed for a period of six years after it has become due, it will be forfeited and will revert to and become part of the Scheme Property of that Fund.

Thereafter neither the shareholder nor his successor will have any right to it except as part of the capital property of the Fund.

Income Equalisation

Income equalisation is currently distributed in relation to each Fund.

Part of the purchase price of a Share reflects the relevant share of accrued income received or to be received by the Company. This capital sum ("income equalisation"), where distributed, is returned to a Shareholder with the first allocation of income to the Share in question in respect of the accounting period in which it was issued or sold.

The amount of income equalisation in respect of an accounting period is calculated by dividing the aggregate of the amounts of income included in the prices of all Shares issued or sold to Shareholders during that accounting period by the number of those Shares and applying the resultant average to each of those Shares.

In the two preceding paragraphs, "accounting period" means any interim accounting period, the period between the end of the last interim accounting period in an annual accounting period and the end of that annual accounting period and, where there is no interim accounting period in an annual accounting period, the annual accounting period itself.

The ACD may, subject to compliance with the FCA Rules and the OEIC Regulations, decide that income equalisation is to cease to be distributed in respect of any Fund, in which case, it shall instead be accumulated as part of the capital property of the Fund.

9. Taxation

The information given under this heading is for general guidance only and does not constitute legal or tax advice. Prospective investors should consult their own professional advisers as to the implications of subscribing for, purchasing, holding, Switching or disposing of Shares under the laws of the jurisdiction in which they are resident for tax purposes.

The Company

Each Fund is exempt from UK tax on dividends received from UK companies and, with effect from 1 July 2009, this exemption has been extended to dividends received from overseas companies (subject to certain conditions). Each Fund can choose to elect to tax particular overseas dividends and, where it makes such an election, these dividends will be included in the taxable income of the Fund. Most other sources of income (e.g. interest income) will also constitute taxable income of each Fund. Each Fund will be subject to corporation tax at 20% on its taxable income after deducting allowable expenses and interest distributions (see below) and subject to relief for any foreign tax suffered in respect of that taxable income.

Gains and losses on creditor relationships (e.g. loan stocks, corporate bonds, gilts) will not be taxable if they are included in the accounts as ‘net gains/losses on investments’ or ‘other gains/losses’.

Capital gains realised on the disposal of the investments held by any of the Funds are not subject to UK corporation tax. However, in certain circumstances, income may be deemed to arise for tax purposes in respect of certain investments (e.g. interests in limited partnerships and material interests in offshore funds) notwithstanding that the income concerned has not been received as such by the Fund.

The Funds may be subject to overseas tax and the extent of this tax charge will be dependent on the countries the fund invests into, the types of investments held and any double tax treaties in place between the UK and overseas territory. These local tax laws are subject to change.

Stamp Duty/SDRT[*]

Stamp duty or SDRT may be payable by the Company on the purchase of investments or in respect of any transfers of assets between Funds.

Shareholders

Allocations of income to Shareholders are treated as taxable distributions regardless of whether the income is retained within the Fund or actually paid to Shareholders.

Income – dividend distributions

Any dividend distribution made by a Fund will be treated as if it were a dividend from a UK company. No deduction of UK income tax is made from a dividend distribution, but the dividend distribution will come with an associated tax credit of one-ninth of the amount of the dividend. This tax credit will satisfy the tax liability of UK resident individual Shareholders subject to basic rate income tax.

Individual Shareholders who are liable to income tax at the higher rate or additional rate may need to pay more tax and should consult their own professional tax advisers or local tax office.

Shareholders who are UK resident non-taxpayers will be unable to reclaim any part of the tax credit. Likewise, no reclaim can be made in respect of Shares held through an ISA or Child Trust Fund.

Shareholders within the charge to UK corporation tax will receive dividend distributions "streamed" into franked and unfranked components depending on the amount of underlying income of the Fund, if any, which has been charged to corporation tax. The franked stream is treated as franked investment income in the hands of the corporate shareholder. The unfranked stream is treated as an annual payment received after deduction of tax at a rate equal to the basic rate of income tax. This tax deducted may be repayable in full or be available for offset against any Shareholder UK corporation tax liability.

Both the proportions of a dividend distribution that are to be treated as franked and unfranked investment income and the Shareholder's proportion of the Fund's net UK corporation tax liability, if any, will be shown on tax vouchers accompanying dividend distributions.

For corporate Shareholders, an investment in any fund which holds more than 60% of its assets in qualifying investments at any time while the corporate holder invests in the fund, will be treated as a loan relationship asset. If it makes a dividend distribution, as from 27 February 2012, the amount streamed as franked investment income will be treated as loan relationship income with no tax credit. The amount streamed as unfranked investment income will be treated as above.

Non-UK resident Shareholders will generally not be entitled to a refund from HMRC of the tax credit (or any proportion of it) in respect of dividend income allocations although this tax credit will usually satisfy their UK income tax liability (if any) on that income. They may also be assessable on this dividend income in their country of residence but this liability may depend on the terms of any double taxation agreement which exists between their country of residence and the UK. In certain circumstances the tax credit may be offset against any liability to income tax in their country of residence.

Income – interest distributions

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[*] As of 30 March 2014, the SDRT charge on surrenders of interests in UK unit trusts and open-ended investment companies in Part 2 of Schedule 19 to the Finance Act 1999 has been abolished. There is a principal charge that applies for in specie redemptions when non-pro rated.

A Fund for which the market value of its "qualifying investments" (mainly interest generating assets) exceeds 60% of the market value of all its investments throughout the distribution period (a “Bond” fund for UK tax purposes) may make an interest distribution instead of a dividend distribution. The amount of the interest distribution derived from taxable income is deductible in computing the Fund's income for corporation tax purposes. The type of distribution currently paid by each Fund is detailed below and details of whether a particular Fund is currently a Bond fund for UK tax purposes are set out in Appendix D.

In 2016, tax rules were introduced allowing for a personal savings allowance of up to £1000 for basic rate tax payers or £500 for higher rate tax payers. Additional rate tax payers do not qualify for the allowance.

Interest distributions from UK bond funds qualify under the personal savings allowance.

From 6 April 2017, bond funds are no longer required to withhold basic rate tax on interest distributions (which, prior to that date, would have been withheld at a rate of 20%).

Where basic rate income tax has been withheld for interest distributions received prior to 6 April 2017 Shareholders may be due a tax refund or they may have additional tax to pay.

Any gross interest distributions received on or after 6 April 2017 will not have any basic rate tax credit associated. Shareholders may be required to file a tax return where the interest distributions are not covered by the personal savings allowance.

These changes apply to both income and accumulation share classes.

UK companies are subject to UK corporation tax on gross interest distributions, whether paid or allocated to them.

The type of distribution currently paid by each Fund is as follows:

Multi-Manager ICVC

Fund Name	Interest/Dividend Distribution
International Equity Fund	Dividend
UK Equity Focus Fund	Dividend
UK Equity Growth Fund	Dividend
UK Equity Income Fund	Dividend
Global Real Estate Securities Fund	Dividend

Capital Gains

Shareholders who are resident in the UK for tax purposes may be liable to capital gains tax or, where the Shareholder is a company, corporation tax, in respect of gains arising from the sale, exchange or other disposal of Shares (including switches between Funds but not switches between classes in respect of the same Fund).

Capital gains made by individual Shareholders on disposals from all chargeable sources of investment will be tax free if the net gain (after deduction of allowable losses) falls within an individual's annual capital gains exemption. Where an individual's annual exemption has been utilised, there may be tax considerations on disposals and investors should consult their own professional tax advisers or their tax office. Shareholders chargeable to UK corporation tax must include all chargeable gains realised on the disposal of Shares in their taxable profits. The amount chargeable will be reduced by indexation allowance.

A life insurance company investing in a Fund may in certain circumstances be treated as realising an annual chargeable gain based on the deemed disposal of its Shares for the purposes of corporation tax on capital gains. Any gain or allowable loss arising on the deemed disposal is brought into account for tax purposes as to one-seventh in the accounting period of disposal, and one-seventh (reduced pro rata if an accounting period is less than 12 months) in respect of each of the six subsequent accounting periods.

The amount representing the income equalisation element of the Share price is a return of capital and is not taxable as income in the hands of Shareholders. This amount should be deducted from the cost of Shares in computing any capital gain realised on a subsequent disposal.

Investor Reporting

EU Savings Directive

Following implementation of the EU Savings Directive into UK law, details of "savings income payments" made to individuals resident in another member state within the European Union or resident within certain other jurisdictions, must be reported to HMRC. In the context of the Company and a UK established paying agent, a distribution from a Fund will be a "savings income payment" if the Fund holds more than 15% of its assets in money debts. In addition, income realised upon the sale or redemption of Shares will be a savings income payment if the Fund holds more than 25% of its assets in money debts.

US Foreign Account Tax Compliance Act ("FATCA")

The U.K. has entered into an inter-governmental agreement ("IGA") with the U.S. to facilitate FATCA compliance. Under this agreement, FATCA compliance will be enforced under U.K. local tax legislation and reporting. The Company may require additional information from shareholders in order to comply with relevant obligations, and the non-provision of such information may result in mandatory redemption of Shares or other appropriate action taken by the ACD at its discretion in accordance with the constitutional documents of the Company. Each prospective investor should consult its own tax advisers on the requirements applicable to it under FATCA.

The 30% withholding tax regime could apply if there is a failure to provide certain required information and these rules apply to such payments made after 1 July 2014.

UK International Tax Compliance Agreements ("ITC")

In addition to the agreement signed by the UK with the US to implement the Foreign Account Tax Compliance Act (''FATCA''), the UK has now signed additional agreements ("IGAs") with a number of other jurisdictions. Details of the jurisdictions and agreements can be found at http://www.hmrc.gov.uk/fatca/index.htm.

These additional IGAs, as transposed into UK law, require UK Financial Institutions, to report to HMRC the details of relevant taxpayers holding assets with those Financial Institutions so the UK can exchange this information with the relevant jurisdiction on an automatic basis. The IGAs are effective on, or after, 1 July 2014 and include the Company as a UK Financial Institution, and requires the Company to obtain mandatory evidence as to the tax residency(s) of any individual, or in the case of non-individuals what their ITC classification is. The Company is also required to identify any existing Shareholder as a relevant taxpayer or in the case of non-individuals what their ITC classification is, within the meaning of the IGAs based on the records the Company holds.

Further, under UK law implementing the IGAs the Company is required to disclose such information as maybe required under the IGAs to HMRC on any Shareholder who is considered to have become a relevant taxpayer, within the meaning of the IGA. Investors should consult their own tax advisers regarding any potential obligations that the IGAs may impose on them.

Common Reporting Standard ("CRS")

The UK and a number of other jurisdictions have also agreed to enter into multilateral arrangements modelled on the Common Reporting Standard for Automatic Exchange of Financial Account Information published by the Organisation for Economic Co-operation and Development (OECD). These agreements and arrangements, as transposed into UK law, may require the Company to provide certain information to HMRC about shareholders from the jurisdictions which are party to such arrangements (which information will in turn be provided to the relevant tax authorities). The Company as a UK Financial Institution is expected to comply with the requirements of CRS from 1 January 2016.

In light of the above, shareholders in the Company may be required to provide certain information to the Company to comply with the terms of the UK regulations.

The foregoing statements are based on UK law and HMRC practice as known at the date of this Prospectus and are intended to provide general guidance only. Shareholders and applicants for Shares are recommended to consult their professional advisers if they are in any doubt about their tax position.

10. Meetings of Shareholders, Voting Rights and Service of Notices

In this section "relevant Shareholder" in relation to a general meeting of Shareholders means a person who is a Shareholder on the date seven days before the notice of that general meeting is sent out but excludes any person who is known to the ACD not to be a Shareholder at the time of the general meeting.

Service of Notice to Shareholders

Any notice or documents will be served on Shareholders in writing by post to the Shareholders' postal address as recorded in the Register.

Convening and Requisition of Meetings

The ACD or the Depositary may convene a general meeting of Shareholders at any time. The ACD has decided to dispense with the requirement to hold annual general meetings (AGMs) for the Company. This dispensation took effect on 30 November 2005. This means that there will be no AGMs for the Company.

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

Notice and Quorum

All relevant Shareholders will be given at least 14 days' notice of a general meeting of Shareholders and, except as mentioned below, are entitled to be counted in the quorum and vote at such meeting either in person or by proxy or, in the case of a body corporate, by a duly authorised representative. The quorum for a meeting is two Shareholders, present in person or by proxy or, in the case of a body corporate, by a duly authorised representative.

Voting Rights

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

On a poll vote, a relevant Shareholder may vote either in person or by proxy or, in the case of a body corporate, by a duly authorised representative. The voting rights attaching to each Share are such proportion of the voting rights attached to all the Shares in issue as the price of the Share bears to the aggregate price(s) of all the Shares in issue at the date seven days before the notice of meeting is sent out.

A relevant Shareholder 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.

Except where the FCA Rules or the Instrument of Incorporation require an extraordinary resolution (which needs 75% of the votes validly cast at the meeting to be in favour in order for the resolution to be passed), any resolution required by the FCA Rules or the OEIC Regulations will be passed by a simple majority of the votes validly cast for and against the resolution.

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

The ACD may not be counted in the quorum for, and neither the ACD nor any associate (as defined for the purposes of the FCA Rules) of the ACD is entitled to vote at, any meeting of Shareholders except in respect of Shares which the ACD or associate holds 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 associate has received voting instructions.

Where a resolution (including an extraordinary resolution) is required to conduct business at a meeting of Shareholders and every Shareholder is prohibited under the FCA Rules from voting, a resolution may, with the prior written agreement of the Depositary, instead be passed with the written consent of Shareholders representing 50% or more, or for an extraordinary resolution 75% or more, of the Shares in issue.

Class Meetings and Fund Meetings

The provisions described above, unless the context otherwise requires, apply both to Class meetings and to meetings of holders of Shares relating to a particular Fund as they apply to general meetings of Shareholders but by reference to Shares of the Class or relating to the relevant Fund and the holders and prices of such Shares.

Variation of Class Rights

The rights attached to a Class or a Fund may not be varied without the sanction of a resolution passed at a meeting of holders of Shares of that Class or relating to that Fund by a simple majority of the votes validly cast for and against that resolution.

Notifying Shareholders of Changes

The ACD is required to seek Shareholder approval to, or notify Shareholders of, various types of changes to the Funds. The form of notification, and whether Shareholder approval is required, depends upon the nature of the proposed change.

A fundamental change is a change or event which changes the purpose or nature of a Fund, which may materially prejudice a Shareholder; or alter the risk profile of the Fund; or which introduces any new type of payment out of the Scheme Property of the Fund. For fundamental changes, the ACD must obtain Shareholder approval, normally by way of an extraordinary resolution (which needs 75% of the votes cast to be in favour if the resolution is to be passed).

A significant change is a change or event which is not fundamental but which affects a Shareholder's ability to exercise his rights in relation to his investment; which would reasonably be expected to cause the Shareholder to reconsider his participation in a Fund; or which results in any increased payments out of the Fund to the ACD or its associates; or which materially increases payments of any other type out of a Fund. The ACD must give reasonable prior notice (not less than sixty days) in respect of any such proposed significant change.

A notifiable change is a change or event of which a Shareholder must be made aware but, although not considered by the ACD to be insignificant, it is not a fundamental change or a significant change. The ACD must inform Shareholders in an appropriate manner and time scale of any such notifiable changes.

11. Winding Up of the Company or the termination of any Fund

The Company may be wound up as an unregistered company under Part V of the Insolvency Act 1986 or under the FCA Rules. A Fund may be terminated only under the FCA Rules.

The Company may be wound up or a Fund terminated under the FCA Rules:-

(a) if an extraordinary resolution to that effect is passed at a meeting of the Company or of the holders of Shares of all Classes relating to that Fund; or

(b) if the period (if any) fixed for the duration of the Company or a particular Fund by the Instrument of Incorporation expires; or

(c) if the event (if any) occurs on the occurrence of which the Instrument of Incorporation provides that the Company is to be wound up or a particular Fund to be terminated – an example of such an event in relation to any Fund is the ACD deciding in its absolute discretion to terminate that Fund if at, or at any time after, the first anniversary of the date of the first issue of Shares relating to that Fund the Net Asset Value of that Fund is less than £10 million or if a change in the laws or regulations of any country means that, in the opinion of the ACD, is desirable to terminate the Fund; or

(d) on the date of effect stated in any agreement by the FCA in response to a request by the ACD for the revocation of the authorisation order in respect of the Company or for the termination of the Fund; or

(e) on the effective date of a duly approved scheme of arrangement which is to result in the Scheme ceasing to hold any scheme property; or

(f) in the case of a Fund on the effective date of a duly approved scheme of arrangement which is to result in the Fund ceasing to hold any scheme property; or

(g) on the date when all the Funds fall within (f) above or have otherwise ceased to hold any scheme property, notwithstanding the Scheme may have assets and liabilities that are not attributable to any particular Fund.

Where the Company is to be wound up or a Fund is to terminated under the FCA Rules, notice of the proposals for winding up the Company or the terminating of the relevant Fund must be given to the FCA for approval (or deemed approval). This notice cannot be given to the FCA unless the ACD provides a statement (following an investigation into the affairs of the Company) which either confirms that the Company will be able to meet all its liabilities within 12 months of the date of the statement or states that such confirmation cannot be given. The Company may not be wound up under the FSA Rules if there is a vacancy in the position of the ACD at the relevant time.

On the winding up or termination commencing:-

(a) COLL 5, COLL 6.2 and COLL 6.3 of the FCA Rules (which relate to investment and borrowing powers and the pricing of and dealing in Shares respectively) will cease to apply to the Company or the relevant Fund;

(b) the Company will cease to issue and cancel Shares of all Classes or (where a particular Fund is to be wound up) Shares of all Classes relating to that Fund and the ACD will cease to sell or redeem such Shares or arrange for the Company to issue or cancel them;

(c) no transfer of a Share or (where a particular Fund is to be wound up) a Share in that Fund will be registered and no other change to the Register will be made without the sanction of the ACD; and

(d) where the Company is being wound up, the Company will cease to carry on its business except in so far as may be required for the beneficial winding up of the Company;

(e) the corporate status and powers of the Company and (subject as mentioned above) the ACD shall continue until the Company is dissolved.

The ACD shall, as soon as practicable after the Company falls to be wound up or the Fund falls to be terminated, realise the assets of the Company or (as the case may be) the relevant Fund and, after paying out or retaining adequate provision for all liabilities properly payable and retaining provision for the costs of winding up or termination may make one or more interim distributions of the proceeds to Shareholders proportionately to their rights to participate in the Scheme Property of the Company or the relevant Fund. On or prior to the date on which the final account is sent to Shareholders, the ACD will also make a final distribution to Shareholders of any remaining balance in the same proportions as mentioned above.

Following the completion of the winding up of the Company, the Depositary must notify the FCA of that fact.

Following the completion of either winding up of the Company or the termination of a Fund, the ACD must prepare a final account showing how the winding up or termination was conducted and how the Scheme Property was disposed of. The auditors of the Company will make a report in respect of the final account and will state 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 within four months of the termination of the winding up or termination.

12. Risk Factors

Potential investors should consider the following risk factors before investing in the Company.

The level of risk varies between Funds. In assessing the risk profile of each Fund, the following factors should be taken into account where relevant.

General risks applying to all Funds

Lack of Capital Guarantee

The investments of the Funds are subject to normal market fluctuations and other risks inherent in investing in securities and collective investment schemes which invest in securities, whether equities or bonds, or in derivatives of these securities. There can be no assurance that any appreciation in value of investments will occur, and the capital value of your original investment is not guaranteed. The value of investments and the income derived from them may fall as well as rise and investors may not recoup the original amount invested in the Company. There is no assurance that the investment objective of any Fund will actually be achieved and no warranty or representation is given to this effect.

The levels, bases and reliefs from taxation can change. Any rates of tax to which this Prospectus refers are those which are currently available.

Past performance is not a guide to future performance. It can in no way provide a guarantee of returns that you will receive in future.

Aggregation/bulking of Orders

In managing the Funds, the investment adviser may combine orders for the Funds with those of other clients known as aggregation or bulking of orders. This procedure may operate on some occasions to the disadvantage of the Funds and on others to the advantage of the Funds although the Investment Adviser must under the FCA Rules ensure that it is unlikely that the aggregation or bulking of orders and transactions will work to the disadvantage of any client whose order is to be aggregated. Further details are included in the Order Execution Policy of the Investment Adviser which is available from the ACD on request.

Market Timing

A Fund may be subject to market timing activities which may include frequent purchases and sales of Shares with a view to profiting from anticipated changes in market prices between Valuation Points (often stemming from quantitative analysis) or arbitraging on the basis of market price changes subsequent to those are used in a Fund's valuation. Such market timing activities are disruptive to fund management, may lead to additional dealing charges which cause losses/dilution to a Fund and may be detrimental to performance and to the interests of long term Shareholders. Whilst the ACD will seek to detect and deter market timing activity, it may be unable to detect such activity if it occurs within deals in a nominee or other omnibus account.

Manager Risk

There is a risk that a Fund will not achieve its performance objectives or not produce returns that compare favourably against its peers. The performance of a Fund will depend significantly upon the ability of the relevant investment adviser (including any Sub-Adviser appointed to a Fund from time to time) to select profitable investments and, to the extent a Fund is invested in collective investment schemes, the ability of investment managers of such schemes to do likewise. In addition, in relation to the current Funds only, the performance of these Funds may also depend upon the ability of either the Investment Adviser or Russell to select Sub-Advisers appropriate for that Fund.

Equities

Funds investing in equities, or in collective investment schemes which invest in equities, tend to be more volatile than Funds investing in bonds or in collective investment schemes which invest in bonds, but may also offer greater potential for growth. The value of such underlying investments may fluctuate quite dramatically in response to activities and results of individual companies, as well as in connection with general market and economic conditions.

Unlisted Risks

Subject to the FCA Rules, a Fund may invest up to and including 10% of the Scheme Property of a Fund in transferable securities which are not approved securities (essentially transferable securities which are admitted to official listing in an EEA state or traded on or under the rules of an eligible securities market). Such securities and instruments are generally not publicly traded, may be unregistered for securities law purposes and may only be able to be resold in privately negotiated transactions with a limited number of purchasers. The difficulties and delays associated with such transactions could result in a Fund's inability to realise a favourable price upon disposal of such securities, and at times might make disposition of such securities and instruments impossible. To the extent a Fund invests in securities and instruments the terms of which are privately negotiated, the terms of such securities and instruments may contain restrictions regarding resale and transfer. In addition, certain listed securities and instruments, particularly securities and instruments of smaller capitalized or less seasoned issuers, may from time to time lack an active secondary market and may be subject to more abrupt or erratic price movements than securities of larger, more established companies or stock market averages in general. In the absence of an active secondary market the Fund's ability to purchase or sell such securities at a fair price may be impaired or delayed.

Effect of Charges

Where a preliminary charge is imposed, an investor who realises his Shares after a short period may not (even in the absence of a fall in the value of the relevant investments) realise the amount originally invested. Therefore, the Shares should be viewed as a long-term investment. (even if the value of the relevant investments has not fallen).

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 redemption value rather than the initial value of the Shares. If the market value of the Shares has increased the redemption charge will show a corresponding increase. Currently there is no redemption charge levied on Shares.

Suspension of Dealings in Shares

Investors are reminded that in certain circumstances their right to redeem Shares may be suspended as described above under "Suspension of Dealings in Shares".

Currency Exchange Rates

Currency fluctuations may indirectly affect the value of a Fund's investments and the income thereon and, depending on an investor's currency of reference, currency fluctuations may adversely affect the value of his investment in Shares. A significant portion of a Fund's assets or the underlying assets of any collective investment schemes in which a Fund invests may be denominated in a currency other than the base currency of a Fund or Class. There is the risk that the value of such assets and/or the value of any distributions from such assets may decrease if the underlying currency in which assets are traded falls relative to the base currency in which Shares of the relevant Fund are valued and priced. Funds are not required to hedge their foreign currency risk, although they may do so through foreign currency exchange contracts, forward contracts, currency options and other methods. To the extent that a Fund does not hedge its foreign currency risk or such hedging is incomplete or unsuccessful, the value of that Fund's assets and income could be adversely affected by currency exchange rate movements. There may also be circumstances in which a hedging transaction may reduce currency gains that would otherwise arise in the valuation of the Fund in circumstances where no such hedging transactions are undertaken.

Markets

Investment in some markets, particularly emerging markets, may carry risks associated with failed or delayed settlement of market transactions and with the registration and custody of securities. Investment in such markets may involve a higher than average risk. Investors should consider whether or not investment in such Funds is either suitable for or should constitute a substantial part of an investor's portfolio.

Companies in emerging markets may not be subject:-

(a) to accounting, auditing and financial reporting standards, practices and disclosure requirements comparable to those applicable to companies in major markets;

(b) to the same level of government supervision and regulation of stock exchanges as countries with more advanced securities markets.

Accordingly, certain emerging markets may not afford the same level of investor protection as would apply in more developed jurisdictions.

Restrictions on foreign investment in emerging markets may preclude investment in certain securities by certain Funds and, as a result, limit investment opportunities for such Funds. Substantial government involvement in, and influence on, the economy may affect the value of securities in certain emerging markets.

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.

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

Smaller Companies

Where Funds invest directly or indirectly (through collective investment schemes) in smaller companies, the nature and size of these companies means that their shares may be less liquid than those of larger companies and that their share prices may, from time to time, be more volatile. Investment in such Funds is likely, therefore, to involve greater risk than investment in larger companies. Investors should consider whether or not investment in such Funds is either suitable for or should constitute a substantial part of an investor's portfolio.

Charges to Capital

Where the ACD and the Depositary so agree all or part of the payments to the ACD and any other charges and expenses of the Company may, subject to the FCA Rules, be charged against capital instead of income. This may constrain capital growth.

Government and Public Securities issued by one issuer

Where a Fund has power to invest more than 35% in value of the Fund in transferable securities or approved money market instruments issued by: (a) an EEA State; (b) a local authority of an EEA State; (c) a non-EEA State; or (d) a public international body to which one or more EEA States belong, this represents an increased risk should the issuer default in meeting its obligations.

Interest rate fluctuations

In relation to Funds with a high concentration of fixed interest or index linked securities, fluctuations in interest rates are likely to affect the capital value of investments. If long term interest rates rise, the capital value of your units is likely to fall and vice versa. The value of your investment will fall should an issuer default or receive a reduced credit rating.

Sub-investment Grade Securities

Where a Fund invests in sub-investment grade securities, shareholders should be aware that such securities carry a higher risk of default than investment-grade securities. The value of their investment will fall should an issuer default or receive a reduced credit rating. Income payments may also be adversely affected.

Liabilities of the Company and the Funds

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

SDRT Provision

Certain investment transactions can result in the payment of stamp duty reserve tax (“SDRT”). When such payment results in the diminution in value of the Shares, an additional charge may be levied in addition to the price of the Shares when issued or deducted when sold.

Restriction on Fund's activities due to embargo etc.

From time to time, a Fund’s activities, or the activities of any collective investment schemes in which it invests, may be restricted due to governmental and/or regulatory restrictions applicable to the relevant ACD or its delegates or another entity within the relevant respective groups of companies, and/or their internal policies designed to comply with such restrictions. As a result, there may be periods, for example, during which the ACD or a Fund or a collective investment scheme in which it invests, may be restricted from engaging in certain transactions.

Inflation Risk

Inflation erodes the real value of investments and changes in the anticipated rate of inflation could lead to capital losses in the Fund’s investments.

Political Risks

The value of a Fund's assets, and those of any collective investment schemes in which it invests, may be affected by uncertainties or events, such as political developments, nationalisation of certain industries, changes in government policies, taxation and currency repatriation and restrictions on foreign investment in some of the countries in which the Fund may invest.

Investment in Collective Investment Schemes

The Fund can invest in a wide range of asset classes, including collective investment schemes which may themselves invest in a range of other assets. These underlying assets are likely to vary from time to time but each category of asset (which may include, but shall not be restricted to, private equity, hedge funds or immoveable property) has individual risks associated with them. The Fund and the ACD may not have any control over the activities of any collective investment scheme or company invested in by the Fund. Managers of collective investment schemes and companies in which a Fund may invest may take undesirable tax positions, employ excessive leverage, or otherwise manage the collective investment schemes or be managed in a manner not anticipated by the ACD. In valuing the Fund, the ACD is reliant on the unit price of such collective investment schemes being delivered by third parties to the ACD by a cut-off point to enable the ACD to include that unit price in the Fund valuation. In the event that such unit price for a particular day is not delivered to the ACD by that cut-off point, the ACD will (unless its fair value pricing policy requires otherwise) use the most recent unit price that has been delivered to it. That unit price may not accurately reflect the most up to date valuation of the underlying collective investment scheme, and consequently the Fund valuation may not accurately reflect the most up to date valuation of the underlying collective investment scheme.

Efficient Portfolio Management Techniques

The ACD may employ techniques and instruments relating to transferable securities and money market instruments to reduce risk, cost or generate additional capital or income for a Fund. These EPM techniques can include derivatives, sale and repurchase agreements (repo), purchase and resale agreements (reverse repo) and stock lending.

These techniques and instruments can result in counterparty risk (see below) and potential conflicts of interest. There is no guarantee that the performance of the efficient portfolio management technique will result in a positive effect for a Fund. In adverse situations, however, a Fund's use of EPM techniques may be ineffective and that Fund may suffer losses as a result. The Fund's ability to use EPM strategies may be limited by market conditions, regulatory limits and tax considerations.

Stock lending

A Fund may enter into stock lending. By lending stock, a Fund is able to generate income by receiving a fee for making its investments available to the borrower.

Where a stock lending arrangement is entered into, the Scheme Property of a Fund remains unchanged in terms of value. Although the securities will be physically transferred to the borrower, the Fund is able at any time to recall any security that has been lent out or terminate any securities lending agreement into which it has entered into. There may be a risk that a counterparty will wholly or partially fail to honour its contractual obligations, exposing the Fund to counterparty credit risk. The Fund will also receive collateral to set against the risk of default in transfer.

These stocklending transactions may, in the event of a default by the borrower, result in the Fund experiencing delays in recovering the loaned securities, not being able to recover the loaned securities and/or incurring a capital loss which might result in a reduction in the net asset value of the Fund. The borrower will forfeit its collateral if it defaults on the transaction. However, in the event of collateral default, if the collateral is in the form of securities, there is a risk that when it is sold it will realise insufficient cash to settle the counterparty's debt to the relevant Fund or to purchase replacements for the securities that were lent to the counterparty. This may result in losses for investors. The ACD operates a risk management process and in relation to stock lending, enters into an indemnity programme with the stock lending agent to cover such losses. The ACD also operates a collateral policy to manage these risks. Cash collateral will only be invested in “risk free assets” as defined by the ESMA Guidelines. Non cash collateral will not be sold, reinvested or pledged.

Repurchase agreements (repos)

These involve the sale of securities together with an agreement for the seller to buy back the securities at a later date. The repurchase price is normally greater than the original sale price, the difference effectively representing interest. The buyer (effectively the lender or investor) receives securities from the Fund as collateral to protect them against default by the seller. Reverse repos are the opposite whereby a Fund buys securities from an investor and then sells them back at a later date for a higher price.

As outlined above, the ACD operates a risk management process and Collateral Management Policy to manage risks associated with this. The associated Global Master Repurchase Agreement (GMRA) will detail the collateral requirements including eligible collateral and associated haircuts. This will be in line with Collateral Management Policy details of which are set out in Section 13 below.

Repurchase transactions are also subject to the risks referred to in the immediately preceding section entitled “Stocklending”.

Derivatives

Derivatives transactions will be used for the purposes of efficient portfolio management (EPM) and hedging. Derivatives may be exchange traded or Over the Counter (OTC) derivatives.

It is not intended that using derivatives for efficient portfolio management will increase the volatility of the Funds and indeed EPM is intended to reduce volatility. In adverse situations, however, a Fund’s use of derivatives may become ineffective in hedging or EPM and a Fund may suffer significant loss as a result. A Fund’s ability to use EPM strategies may be limited by market conditions, regulatory limits and tax considerations.

The use of derivatives has the potential to increase a Fund’s risk profile and could result in increased price volatility. The use of derivatives for EPM and hedging purposes would not be expected to lead to an increase in the risk profile of Funds.

The ACD employs a detailed risk management process to oversee and manage these derivative risks within these Funds. The use of derivative techniques in respect of these Funds has the overall intention of reducing the volatility of returns, although this outcome is not guaranteed, and derivatives held may at times lead to increased price volatility. Investors should be prepared to accept the risks that derivative-related investment can create.

The COLL Sourcebook permits the ACD to use certain techniques when investing in derivatives in order to manage a Fund’s exposure to particular counterparties and in relation to the use of collateral to reduce overall exposure to over-the-counter (“OTC”) derivatives; for example a Fund may take collateral from counterparties with whom they have an OTC derivative position and use that collateral to net off against the exposure they have to the counterparty under that OTC derivative position, for the purposes of complying with counterparty spread limits. The COLL Sourcebook also permits a Fund to use derivatives to effectively short sell (agree to deliver the relevant asset without holding it in the scheme) under certain conditions. Where the ACD invests in derivatives and forward transactions in the pursuit of a Fund’s objectives, the Net Asset Value of that Fund may at times be volatile (in the absence of compensating investment techniques). However, it is the ACD’s intention that the relevant Fund will not have volatility over and above the general market volatility of the markets of that Fund’s underlying investments owing to the use of the derivatives and/or forward transactions in the pursuit of its objectives. It is not the ACD’s intention that **the use of derivatives and forward transactions in the pursuit of a Fund’s objective will cause its risk profile to change**.

Counterparty risk

Counterparty risk exposures will be aggregated across both derivatives and efficient portfolio management techniques. Exposures will be calculated on an uncollateralised basis.

The Investment Adviser may use one or more separate counterparties to undertake derivative transactions on behalf of these Funds may be required to pledge or transfer collateral paid from within the assets of the relevant Fund to secure such contracts. There may be a risk that a counterparty will wholly or partially fail to honour their contractual arrangements under the arrangement with regards the return of collateral and any other payments due to the relevant Fund. The Investment Adviser or in some of the Funds the Sub Adviser(s) measures the creditworthiness of counterparties as part of the risk management process

A counterparty may be an associate of the ACD or the Investment Adviser. As a Fund enters into a derivative with a counterparty there is risk of loss if a counterparty fails to perform its obligations under the derivative. Counterparties will ordinarily be investment banks. Collateral may be held by the Funds to reduce exposure to counterparty risk.

Collateral

Collateral will be received to reduce counterparty exposure. However, if the collateral is in the form of securities, there is a risk that when it is sold it will realise insufficient cash to settle the counterparty's debt to the Fund.

In relation to securities lending, if counterparty defaults and fails to return equivalent securities to those loaned, the Fund may suffer a loss equal to the shortfall between the value of the realised collateral and the market value of the replacement securities.

Collateral shortfall may arise as a result of inaccurate pricing of the collateral, unfavourable market movements in the value of the collateral, or a lack of liquidity in the market on which the collateral is traded. If the relevant transaction with a counterparty is not fully collateralised, then the Fund's credit exposure to the counterparty in such circumstances will be higher than if the transaction had been fully collateralised.

Where a Fund reinvests cash collateral, there is a risk that the investment will earn less than the interest that is due to the counterparty in respect of that cash and that it will return less than the amount of cash that was invested. In such circumstances the Fund would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, and would therefore suffer a loss.

For stocklending or repo purposes, a schedule of permitted collateral will be agreed with the stocklending agent and this will be reviewed regularly to assess for risks such as liquidity and credit risks. Where the review highlights concerns on either of these risks, the relevant asset will be removed from the schedule of permitted collateral.

Other risks linked to the management of collateral, such as operational and legal risks, will be identified, managed and mitigated in accordance with the ACD's risk management policy. Operational risk around collateral management for stocklending and repos is greatly reduced since it is managed by the Depositary, which has processes in place.

The ACD manages custody risk by ensuring that the Depositary has contractual arrangements in place with the collateral custodian. The ACD reduces the custody risk by ensuring a process whereby all assets taken as collateral are appropriate. The ACD receives and reviews a controls report from SSBTC on a semi-annual basis that includes information on SSBTC's global operations, including without limitation custody operations. The ACD maintains regular oversight of SSBTC's operations and regularly reviews its processes and controls to ensure such processes and controls operate to expectations. The Depositary also maintains oversight of the custodian's operations and processes and reports to the ACD on a monthly basis. The custodian maintains appropriate oversight of any sub-custodians that are appointed, including without limitation reviewing their suitability on an annual basis.

The legal risks are reduced by the ACD ensuring that appropriate contractual arrangements are in place with third parties.

The ACD operates a Collateral Management Policy to manage risk associated with Collateral which requires that Collateral is of a high quality and liquid. Please see Section 13 below for further information on the Collateral Management Policy. Additionally, in relation to those Funds which use securities lending, there is an indemnity provided by State Street Bank & Trust Company (SSBTC) which is additional protection in the event of a counterparty default, and reduces the risk of loss from securities lending as a result of default.

Conflicts of Interest

Transactions may be effected which the ACD has, either directly or indirectly, an interest which may potentially involve a conflict of its obligation to a Fund. Where a conflict cannot be avoided, the ACD will have regard to its fiduciary responsibility to act in the best interests of the relevant Fund and its investors. The ACD will ensure that investors are treated fairly and that such transactions are effected on terms which are not less favourable to the relevant Fund than if the potential conflict had not existed.

Leverage and volatility

The Funds may achieve some leverage through the use of derivatives. The use of leverage creates special risks and may increase a Funds investment risk. Leverage creates the opportunity for greater yield and total return but at the same time will increase the exposure of a Fund to greater capital risk. The low margin deposits normally required in derivatives has the potential to lead to higher degrees of leverage. This may also lead to greater fluctuations in the price.

Particular Risks of Exchange Traded Derivative Transactions

Suspensions of Trading

Each securities exchange or derivatives market typically has the right to suspend or limit trading in all securities or derivatives which it lists. Such a suspension would render it impossible for a Fund to liquidate positions and, accordingly, expose a Fund to losses and delays in its ability to redeem Shares.

Particular Risks of OTC Derivative Transactions

Limited regulation; counterparty default

In general, there is less governmental regulation and supervision of transactions in the OTC markets (in which, for example, forward, spot and option contracts on currencies, credit default swaps and total return swaps are generally traded) than of transactions entered into on organised exchanges. In addition, many of the protections afforded to participants on some organised exchanges, such as the performance guarantee of an exchange clearing house, may not be available in connection with OTC transactions. Therefore, any Fund entering into OTC transactions will be subject to the risk that its direct counterparty will not perform its obligations under the transactions and that a Fund will sustain losses. A Fund will only enter into transactions with counterparties which it believes to be creditworthy, and may reduce the exposure incurred in connection with such transactions through the receipt of letters of credit or collateral from certain counterparties. Regardless of the measures a Fund may seek to implement to reduce counterparty credit risk, however, there can be no assurance that a counterparty will not default or that a Fund will not sustain losses as a result.

Necessity for counterparty relationships

As noted above, participants in the OTC market typically enter into transactions only with those counterparties which they believe to be sufficiently creditworthy, unless the counterparty provides margin, collateral, letters of credit or other credit enhancements. While a Sub Adviser may believe that they will be able to establish multiple counterparty business relationships to permit the Fund to effect transactions in the OTC market and other counterparty markets (including credit default swaps, total return swaps and other swaps market as applicable), there can be no assurance that it will be able to do so. An inability to establish or maintain such relationships would potentially increase the Fund's counterparty credit risk, limit its operations and could require the Fund to cease investment operations or conduct a substantial portion of such operations in the futures markets. Moreover, the counterparties with which a Fund expects to establish such relationships will not be obligated to maintain the credit lines extended to the Fund, and such counterparties could decide to reduce or terminate such credit lines at their discretion.

Counterparty ceasing to trade in certain instruments

From time to time, the counterparties with which a Fund effects transactions might cease making markets or quoting prices in certain of the instruments. In such instances, the Fund might be unable to enter into a desired transaction in currencies, credit default swaps or total return swaps or to enter into an offsetting transaction with respect to an open position, which might adversely affect its performance.

Risk of Credit Derivatives

The behaviour of credit derivatives can be different from the equivalent cash securities. Their prices may fluctuate more and the markets could be less liquid which could entail greater risk

Liquidity Risk

Liquidity risk exists when a particular instrument is difficult to purchase or sell . If a derivative transaction is particularly large or if the relevant market is illiquid, it may not be possible to initiate a transaction or liquidate a position at an advantageous price.

Short Selling

The possible loss from taking a short position on a security (using Financial Derivative Instruments) differs from the loss that could be incurred from a cash investment in the security and can create a greater risk than investments based on a long position.; the former may be unlimited as there is no restriction on the price to which a security may rise, whereas the latter cannot exceed the total amount of the cash investment. The short selling of investments may be subject to changes in regulations, which could adversely impact returns to investors.

The ACD mitigates these risks by ensuring that there is appropriate cover for all derivative transactions.

13. General Information

Risk Management Information

On request, the ACD will provide a Shareholder with information supplementary to this Prospectus relating to:-

(a) the quantitative limits applying in the risk management of the Company
(b) the methods used in relation to (a); and
(c) any recent development of the risk and yields of the main categories of investment.

Documents Available for Inspection

Copies of the following documents may be inspected free of charge between 9.00 am and 5:00 pm on every Dealing Day at the offices of the ACD at 15 Dalkeith Road, Edinburgh EH16 5WL

(a) the Instrument of Incorporation (and any document by which it is amended);
(b) the Prospectus;
(c) the ACD Agreement; and
(d) following their issue, the most recent annual and half-yearly long of the Company.

Shareholders may obtain copies of the above documents from the same address. The ACD may make a charge at its discretion for copies of (a) and (b) above. Any person may request a copy of the annual and half-yearly long reports free of charge.

Material Contracts

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

(a) the ACD Agreement regulating the relationship between the Company and the ACD; and

(b) the Depositary Agreement regulating the relationship between the Company, the ACD and the Depositary and which was superseded by an Agreement effective March 2016;

Information regarding those contracts is set out above under the heading "Management and Administration".

Disclosure of Other Arrangements

The ACD may enter into arrangements whereby it agrees to provide certain distributors, intermediaries and institutional or professional investors with a percentage rebate of the annual management charge that is payable to the ACD by the Company in respect of the Funds. These arrangements do not result in any additional costs to the Funds. The amount of rebate payable will be within a standard range determined by the ACD.

The ACD and Investment Adviser may engage in the promotion of certain collective investment schemes which the ACD manages, including the Funds. In doing so the ACD may provide certain non-monetary benefits such as gifts, hospitality and competition prizes of reasonable value as well as marketing support, training and seminars to certain distributors, intermediaries and institutional or professional investors. To the extend that any promotion relates to the Funds, these benefits form part of the normal marketing activity intended to ensure the ongoing viability of the Funds, and as such are in the best interests of the Company and the Shareholders.

The ACD and/or the Investment Adviser may also from time to time accept monetary and non-monetary benefits from suppliers in accordance with the FCA's rules.

Collateral Management Policy

The ACD is required to have a Collateral Management Policy and to keep that policy under regular review. The policy defines “eligible” types of collateral which the Funds may receive to mitigate counterparty exposure (including any applicable haircuts). A haircut is a reduction to the market value of the collateral in order to allow for a cushion in case the market value of that collateral falls. Criteria for acceptable collateral vary depending on whether the collateral is being used with respect to derivative trades or for securities lending transactions. In general, for derivative trades, collateral will be of high quality and liquid e.g. cash and government securities. For securities lending transactions, a wider set of collateral is permissible including equities and corporate bonds with haircuts that appropriately reflect any additional risks associated with these asset classes. The policy also includes additional restrictions deemed appropriate by the ACD.

Collateral criteria are also designed to maintain regulatory compliance. Regulations may impact the types of collateral that are acceptable for different types of transactions, may specify minimum haircuts and may require that the ACD ensures sufficient diversification of collateral (i.e. use of different counterparties and acceptance of different types of assets). Collateral will be subject to a "haircut" depending on the class of assets received and lent. The haircut policy depends on the quality of assets received or lent, their price volatility, together with the outcome of any stress tests performed under normal and exceptional market conditions. The ACD accepts collateral in the form of different asset types including but not limited to: cash, government securities, certificates of deposit, bonds or commercial paper issued by "relevant institutions". These assets can be from different issuers both in the UK and overseas and covering government, supranational and corporate institutions. The maturity and liquidity profile can vary but any additional risk from longer dated and slightly less liquid assets are mitigated by imposing additional haircuts. In general, the ACD seeks to use collateral that is well diversified by specifying a maximum amount of collateral from one issuer or of one type and by setting collateral criteria that minimise the correlation (or link) between collateral received and the default risk of the counterparty.

Where cash collateral is received, it will be reinvested in accordance with the requirements of ESMA's Guidelines on ETFs and other UCITS issues (ESMA/2012/832EN). Where a Fund re-invests cash collateral in one or more permitted types of investment, there is a risk that the investment will earn less than the interest that is due to the counterparty in respect of that cash and that it will return less than the amount of cash that was invested.

Complaints

Complaints concerning the operation or marketing of the Company or any Fund should first of all be referred to:-

Scottish Widows Unit Trust Managers Limited
Customer Relations Department
15 Dalkeith Road
Edinburgh
EH16 5WL
Telephone: 0345 3002244

The ACD's complaint management procedure will be available by writing to the above address.

The ACD will investigate all complaints and, if a complaint is not resolved within 8 weeks after its receipt by the ACD, we will inform the complainant that we have been unable to reach an agreement and, if the complaint is about a matter covered by the Financial Ombudsman Service, details of this service will be provided to the complainant.

The Financial Ombudsman Service will normally only consider a complaint after having given the ACD the opportunity to resolve the complaint to the satisfaction of the customer.

The address for the Financial Ombudsman is:-

The Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London
E14 9SR
Complaint.info@financial-ombudsman.org.uk

Box Management

The ACD is a passive box manager and will not hold Shares on its own account other than to cover small balances for administrative purposes. The ACD will therefore create or liquidate sufficient shares on a daily basis to satisfy the Fund/share class requirement. The ACD does not actively seek to make a profit from holding Shares as principal.

In accordance with the ACD's internal procedures to manage risk, the ACD has adopted certain internal limits on box holdings for each Fund at share class level, and a process setting out the circumstances in which those limits may be exceeded.

Transfer of Client Money

If transferring all or part of its business to a third party, the ACD may also transfer any client money balances to the same third party (where the client money relates to the business being transferred). Such monies will either be held by the third party in accordance with the FCA's client money rules, or the ACD will exercise all due skill, care and diligence in assessing whether the third party will apply adequate measures to protect these monies.

Genuine diversity of ownership

Shares in the Funds are and will continue to be widely available. The intended categories of investors are retail investors (who should seek financial advice before investing in a Fund and institutional investors. Different Share Classes of a Fund are issued to different types of investors.

Shares in the Funds are and will continue to be marketed and made available sufficiently widely to reach the intended categories of investors for each Share Class, and in a manner appropriate to attract those categories of investors.

Appendix A
Eligible Securities Markets and Eligible Derivatives Markets

Markets which are regulated markets (as defined for the purposes of the FCA Rules) or which are markets established in any EEA State which are regulated, operate regularly and are open to the public are eligible markets for all Funds.

In addition, markets are also eligible if the ACD, after consultation and notification with the Depositary, has decided that market is appropriate for the purpose of investment of or dealing in the property of that Fund. The Depositary must have taken reasonable care to determine that adequate custody arrangements can be provided for the investments dealt in on such markets and that all reasonable steps have been taken by the Manager in deciding whether that market is eligible. Any such market must operate regularly, be regulated, recognised, be open to the public, be adequately liquid and have adequate arrangements for unimpeded transmission of income and capital to or to the order of investors.

The other eligible securities markets and eligible derivatives markets for each Fund are indicated by a "yes" entered against the name of a relevant market in the tables set out below in this Appendix. A securities or derivatives market may be added for any Fund in accordance with the FCA Rules.

No market shall be an eligible securities market or eligible derivatives market unless it would be eligible in terms of COLL 5 of the FCA Rules.

Other Eligible Securities Markets

Country	Market	Multi-Manager European Equity Fund*	Multi-Manager Global Real Estate Securities Fund and Multi-Manager International Equity Fund	Multi-Manager UK Equity Income Fund, Multi-Manager UK Equity Focus Fund and Multi-Manager UK Equity Growth Fund	Multi-Manager US Equity Fund*
Argentina					
Australia	Australian Securities Exchange		Yes		
Bermuda	Bermuda Stock Exchange				Yes
Brazil	BM&F Bovespa		Yes		
Canada	Montreal Exchange		Yes		Yes
	Toronto Stock Exchange		Yes		Yes
Chile	Santiago Stock Exchange		Yes		
China	Shanghai Stock Exchange		Yes		
	Shenzhen Stock Exchange		Yes		
Colombia	Bogota				
Croatia	Zagreb Stock Exchange	Yes			

Country	Market	Multi-Manager European Equity Fund*	Multi-Manager Global Real Estate Securities Fund and Multi-Manager International Equity Fund	Multi-Manager UK Equity Income Fund, Multi-Manager UK Equity Focus Fund and Multi-Manager UK Equity Growth Fund	Multi-Manager US Equity Fund*
Egypt	Cairo and Alexandria Stock Exchange		Yes		
Hong Kong	Hong Kong Growth Enterprise Market				
	Stock Exchange of Hong Kong		Yes		
Hungary	Budapest Stock Exchange		Yes		
India	Bombay Stock Exchange		Yes		
	Calcutta Stock Exchange				
	Delhi Stock Exchange				
	Inter-Connected Stock Exchange of India				
	Ludhiana Stock Exchange				
	Pune Stock Exchange				
	National Stock Exchange of India		Yes		
Indonesia	Indonesia Stock Exchange		Yes		
Israel	Tel Aviv Stock Exchange		Yes		
Japan	Fukuoka Stock Exchange		Yes		
	Nagoya Stock Exchange		Yes		
	Osaka Securities Exchange		Yes		
	Sapporo Securities Exchange		Yes		
	JASDAQ		Yes		
	Tokyo Stock Exchange		Yes		
Kenya	Nairobi Stock Exchange				
Malaysia	Bursa Malaysia		Yes		
Mexico	Bolsa Mexicana de Valores		Yes		Yes
New Zealand	New Zealand Exchange		Yes		
Nigeria	Lagos				

Country	Market	Multi-Manager European Equity Fund*	Multi-Manager Global Real Estate Securities Fund and Multi-Manager International Equity Fund	Multi-Manager UK Equity Income Fund, Multi-Manager UK Equity Focus Fund and Multi-Manager UK Equity Growth Fund	Multi-Manager US Equity Fund*
Pakistan	Karachi Stock Exchange		Yes		
Peru			Yes		
Philippines	Philippine Stock Exchange		Yes		
Poland	Warsaw Stock Exchange		Yes		
Quatar	Quatar Stock Exchange		Yes		
Republic of Korea	Korea Stock Exchange		Yes		
	KOSDAQ		Yes		
Romania	Bucharest Stock Exchange		Yes		
Russia	Moscow Stock Exchange	Yes			
	RTS Stock Exchange	Yes	Yes		
Saudi Arabia	Tadawul				
Singapore					
	Singapore Exchange		Yes		
South Africa	Johannesburg Stock Exchange		Yes		
Spain	Barcelona Stock Exchange	Yes	Yes		
	Bilbao Stock Exchange	Yes	Yes		
	Valencia Stock Exchange	Yes	Yes		
Sri Lanka	Colombo Stock Exchange		Yes		
Switzerland	SWX Swiss Exchange	Yes	Yes		
Taiwan	Gre Tai Securities Market				
	Taiwan Stock Exchange		Yes		
Thailand	Stock Exchange of Thailand		Yes		
Turkey	Istanbul Stock Exchange	Yes	Yes		
UAE	Abu Dhabi Securities		Yes		

Country	**Market**	**Multi-Manager European Equity Fund***	**Multi-Manager Global Real Estate Securities Fund** and **Multi-Manager International Equity Fund**	**Multi-Manager UK Equity Income Fund, Multi-Manager UK Equity Focus Fund** and **Multi-Manager UK Equity Growth Fund**	**Multi-Manager US Equity Fund***
	Exchange				
	Dubai Financial Market				
	NASDAQ Dubai				
United Kingdom	Alternative Investment Market	Yes	Yes	Yes	
United States	American Stock Exchange	Yes	Yes	Yes	Yes
	Boston Stock Exchange	Yes	Yes	Yes	Yes
	National Stock Exchange	Yes			
	New York Stock Exchange	Yes	Yes	Yes	Yes
	NASDAQ	Yes	Yes	Yes	Yes
	Pacific Exchange	Yes	Yes	Yes	Yes
	Philadelphia Stock Exchange	Yes	Yes	Yes	Yes
Vietnam	Ho Chi Minh Stock Exchange		Yes		
Other	Virt-X	Yes	Yes		

** Please note that this Fund is in the process of being terminated and accordingly is not currently available for investment.*

Eligible Exchange Traded Derivatives Markets

Country	Market	Multi-Manager European Equity Fund*	Multi-Manager Global Real Estate Securities Fund and Multi-Manager International Equity Fund	Multi-Manager UK Equity Income Fund, Multi-Manager UK Equity Focus Fund and Multi-Manager UK Equity Growth Fund	Multi-Manager US Equity Fund*
Australia	Sydney Futures Exchange		Yes		Yes
Brazil					
Canada	Montreal Exchange		Yes		Yes
	ICECA Intercontinental Exchange - ICE Futures Canada				
Germany	EUREX	Yes			Yes
Hong Kong	Hong Kong Futures Exchange		Yes		Yes
India	National Stock Exchange				Yes
Italy	IDM Italian Derivatives Exchange/Borsa Italiana				
Japan	Osaka Securities Exchange		Yes		Yes
	Tokyo Stock Exchange		Yes		Yes
	Tokyo Financial Futures Exchange				Yes
Malaysia	MDV Malaysian Derivatives Exchange				
Mexico	MEXDER Mercardo Mexicano de Derivados				
New Zealand	New Zealand Futures & Options Exchange		Yes		Yes
Norway	OM OMX Nordic Exchange				
Other	Euronext	Yes	Yes		Yes
Republic of Korea	Korean Futures Exchange		Yes		Yes
Singapore	Singapore Exchange		Yes		Yes
South Africa	South African Futures Exchange (SAFEX)		Yes		Yes
Spain	MEFF Renta Fija		Yes		Yes
	MEFF Renta Variable	Yes	Yes		Yes

Sweden	OMX Stockholm Stock Exchange				
Switzerland	EUREX	Yes	Yes		Yes
Taiwan	TAIFEX Taiwan Futures Exchange				
Thailand	TFEX Thailand Futures Exchange				
Turkey	TURKDEX Turkish Derivatives Exchange				
United Kingdom	Euronext LIFFE	Yes	Yes	Yes	Yes
	ICEEU Intercontinental Exchange - ICE Futures Europe				
United States	Chicago Board Options Exchange	Yes	Yes	Yes	Yes
	Chicago Board of Trade	Yes	Yes	Yes	Yes
	Chicago Mercantile Exchange	Yes	Yes	Yes	Yes
	GLOBEX	Yes	Yes	Yes	Yes
	ICEUS Intercontinental Exchange - ICE Futures US				
	New York Futures Exchange	Yes	Yes	Yes	Yes
	New York Stock Exchange	Yes	Yes	Yes	Yes
	NASDAQ	Yes	Yes	Yes	Yes
	Philadelphia Stock Exchange (NASDAQ, OMX, PHLX)				

** Please note that this Fund is in the process of being terminated and accordingly is not currently available for investment.*

Appendix B
Investment and Borrowing Powers of the Company

This Appendix sets out a summary of the investment and borrowing powers applicable in terms of the FCA Rules to each Fund as they apply to UCITS schemes.

The Scheme Property of each Fund will be invested with the aim of achieving the investment objective of that Fund but subject to the limits on investment set out in COLL 5 of the FCA Rules.

Cash and near cash may be held in the Scheme Property to the extent that this may reasonably be regarded as necessary to enable the pursuit of the Fund's investment objectives, Units to be redeemed, efficient management of that Fund in accordance with its investment objectives or other purposes which may reasonably be regarded as ancillary to the investment objectives of that Fund.

The ACD's policy is to make use of the flexibility to hold cash and near cash, as it considers appropriate.

Please note that the Funds in this Appendix B which are marked with a "" are in the process of being terminated and accordingly are not currently available for investment.*

The following is a summary of the investment limits under the FCA Rules which currently apply to each Fund:-

1. the Scheme Property of a Fund must, except where otherwise provided in COLL 5 of the FCA Rules, only consist of any or all of:

    a. transferable securities (including warrants);
    b. approved money market instruments (see point 20 below);
    c. permitted derivatives and forward transactions (see below);
    d. permitted deposits (see point 21 below);
    e. permitted collective investment scheme units (see point 16 below).

1A. Transferable securities and approved money market instruments must, subject to points 2 and 3 below, be admitted to or dealt on an eligible market or, (i) in the case of an approved money market instrument which is not so admitted or dealt, be within (b) of point 20 below or (ii) in the case of transferable securities be recently issued provided the terms of the issue include an undertaking that application will be made to be admitted to an eligible market and such admission is secured within a year of issue.

1B. The eligible markets for each Fund are listed in Appendix A. New eligible markets may be added to those lists in the manner described in that Appendix.

2. not more than 10% of the Net Asset Value of the Scheme Property of a Fund may consist of transferable securities which do not fall within 1A above and approved money market instruments which do not fall within point 20 below.

3. not more than 5% of the Net Asset Value of the Scheme Property of **Multi-Manager European Equity Fund*, Multi-Manager Global Real Estate Securities Fund, Multi-Manager International Equity Fund, Multi-Manager UK Equity Income Fund, Multi-Manager UK Equity Focus Fund and Multi-Manager UK Equity Growth Fund** may consist transferable securities which are warrants. Call options are not deemed to be warrants for the purposes of this 5% restriction.

4. for the purposes of points 5 to 10 below, 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.

5. not more than 20% of the Net Asset Value of the Scheme Property of a Fund may consist of deposits with a single body (and for this purpose all uninvested cash comprising capital property

of the Fund that the Depositary holds should be included in calculating the total sum of the deposits held by it and other companies in its group on behalf of the Fund).

6. not more than 5% of the Net Asset Value of the Scheme Property of a Fund may consist of transferable securities or approved money market instruments issued by any single body, except that (i) the figure of 5% may be increased to 10% in respect of up to 40% of the Net Asset Value of the Scheme Property of a Fund and (ii) the figures of 5% may be increased to 25% in respect of covered bonds provided that when a Fund invests more than 5% in covered bonds issued by a single body, the total value of covered bonds must not exceed 80% of the Net Asset Value of the Scheme Property of a Fund. Certificates representing certain securities are treated as equivalent to the underlying security. **The scheme property may not consist of covered bonds.**

7. the exposure to any one counterparty in an over the counter derivative transaction must not exceed 5% of the Net Asset Value of the Scheme Property of a Fund (10% where the counterparty is an approved bank).

8. not more than 20% of the Net Asset Value of the Scheme Property of a Fund is to consist of transferable securities and approved money market instruments issued by the same group (as referred to in point 4 above).

9. not more than 20% of the Net Asset Value of the Scheme Property of a Fund is to consist of the units of any one collective investment scheme. For this purpose, each sub-fund of an umbrella scheme is treated as a separate scheme. **However, for Multi-Manager European Equity Fund*, Multi-Manager Global Real Estate Securities Fund, Multi-Manager International Equity Fund, Multi-Manager UK Equity Income Fund, Multi-Manager UK Equity Focus Fund and Multi-Manager UK Equity Growth Fund, no more than 10% of the Net Asset Value of the Scheme Property may consist of units in collective investment schemes.**

10. in applying the limits in points 5, 6, and 7 and subject to point 6(ii) above not more than 20% of the Net Asset Value of the Scheme Property of a Fund is to consist of any combination of two or more of the following: (a) transferable securities (including covered bonds) or approved money market instruments issued by; or (b) deposits made with; or (c) exposures from over the counter derivatives transactions made with; a single body, Notwithstanding point 11 below and subject to points 12 and 13, in applying this 20% limit with respect to a single body, transferable securities issued by (a) an EEA State; (b) a local authority of an EEA State; (c) a non-EEA State; or (d) a public international body to which one or more EEA States belong and any counterparty risk relating to OTC derivative transactions must be taken into account.

11. for the purpose of calculating the limits in points 7 and 10:-

    (a) the exposure to a counterparty must be assessed in accordance with 10(b) and calculated on the basis of the underlying exposure created through the use of OTC derivatives in accordance with the commitment approach;

    (b) the requirements referred to in 10(a) are that:

        a. when calculating the exposure to a counterparty the positive mark-to market value of the OTC derivative contract with that counterparty must be used;
        b. OTC derivative positions with the same counterparty may be netted, provided the conditions in (c) are satisfied;
        c. The exposure of the Scheme Property to a counterparty of an OTC derivative may be reduced through the receipt of collateral provided that: (i) collateral received must be sufficiently liquid so that it can be sold quickly at a price that is close to its pre-sale calculation; (ii) collateral must be taken into account when collateral is passed to the counterparty of an OTC derivative transaction on behalf of the Company; (iii) such collateral 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;

    OTC derivative positions with the same counterparty may be netted provided:

        a. The ACD is able legally to enforce netting arrangements with the counterparty on behalf of the Company; and
        b. The netting agreements in (a) do not apply to any other exposures the Company may have with that same counterparty.

12. the limitations referred to in points 5 to 10 above do not apply to transferable securities issued by (a) an EEA State; (b) a local authority of an EEA State; (c) a non-EEA State; or (d) a public international body to which one or more EEA States belong ("such Securities");

13. where no more than 35% of the Net Asset Value of the Scheme Property of a Fund is invested in such Securities issued by any one body, in which case there is no limit on the amount which may be invested in such Securities or in any one issue;

14. more than 35% of the Net Asset Value of the Scheme Property of a Fund can be invested in such Securities issued by any one body listed in paragraph 12 above provided that (a) 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 Fund; (b) no more than 30% of the Net Asset Value of the Scheme Property of that Fund consists of such Securities of any one issue; (c) the Scheme Property of that Fund includes such Securities issued by that or another issuer of at least six different issues and (d) certain details have been disclosed in the instrument of incorporation and prospectus;

15. Appendix D specifies in relation to each Fund whether or not point 14 above is applicable to that Fund. The names of the individual States, local authorities and public international bodies ("the issuers") issuing such Securities in which each such Fund may invest over 35% of its assets (if any) are set out in the Table 1 at the end of this Appendix B;

16. in and for the purposes of points 12, 13 and 14 above, "issue", "issued" and "issuer" include "guarantee", "guaranteed" and "guarantor" and an issue differs from another if there is a difference as to repayment date, rate of interest, guarantor or other material term;

17. not more than 30% of the Net Asset Value of the Scheme Property of a Fund can be invested in collective investment schemes within (a)(ii) to (iv) below. **As stated in point 9 above, no more than 10% of the Net Asset Value of the Scheme Property of the Funds referred to in point 9 may consist of units in collective investment schemes**. A Fund can only invest in another collective investment scheme if that other scheme:-

    (a) is a scheme which (i) complies with the conditions necessary for it to enjoy the rights conferred by the UCITS Directive; (ii) is recognised under the provisions of section 270 of the Financial Services and Markets Act 2000; (iii) is authorised as a non-UCITS retail scheme (provided the requirements of article 50(1)(e) of the UCITS Directive are met); (iv) is authorised in another EEA State (provided the requirements of the said article 50(1)(e) are met); or (v) is authorised by the competent authority of an OECD member country (other than another EEA state) which has signed the IOSCO Multilateral Memorandum of Understanding and which has approved the scheme's management company, rules and depositary/custody arrangements (provided the requirements of the said article 50(1)(e) are met);

    (b) complies with the rules on investment in other group schemes (see point 21 below); and

    (c) has terms prohibiting more than 10% of the Net Asset Value of its Scheme Property consisting of units in collective investment schemes.

    For this purpose each sub-fund of an umbrella scheme is treated as a separate scheme.

18. The Scheme Property attributable to a Fund may include Shares in another Fund of the Company (the "Second Fund") subject to the requirements of paragraph 19 below.

19. A Fund may invest in or dispose of Shares of a "Second Fund" provided that:-

    (a) the Second Fund does not hold Shares in any other Fund of the Company;

    (b) the requirements set out at paragraphs 21 below are complied with; and

    (c) not more that 35% in value of the Scheme Property of the investing or disposing Fund is to consist of Shares in the Second Fund.

20. points 5 to 14 above do not apply until the expiry of a period of 6 months after the effective date of the authorisation order of the Fund (or the date on which the initial offer commenced (if later)) provided that the rules on a prudent spread of risk are complied with;

21. the Funds may invest in other collective investment schemes (including a Second Fund) managed or operated by, or which have, as their authorised corporate director, the ACD or an associate of the ACD provided that the provisions of the FCA Rules regarding investment in such schemes are complied with;

22. transferable securities or approved money market instruments on which any sum is unpaid may be held only if it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by the relevant Fund at the time when the payment is required without contravening COLL 5 of the FCA Rules;

23. a Fund may invest in approved money market instruments which are normally dealt in on the money market, are liquid and whose value can be accurately determined at any time, provided:

    (a) the approved money market instrument is admitted to or dealt on an eligible market; or
    (b) the issue or issuer of the approved money market instrument is regulated for the purpose of protecting investors and savings and the money market instrument is:

    (i) issued or guaranteed by a central, regional or local authority, a central bank of an EEA State, the European Central Bank, the European Union or the European Investment Bank, a non-EEA State or, in the case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more EEA States belong; or
    (ii) issued by a body, any securities of which are dealt in on an eligible market; or
    (iii) issued or guaranteed by an establishment subject to prudential supervision in accordance with criteria defined by Community law or by an establishment which is subject to and complies with prudential rules considered by the FCA to be at least as stringent as those laid down by Community law;

    (c) it is another money market instrument with a regulated issuer and the FCA has given its express consent (in the form of a waiver) for a Fund to invest in it;

24. a Fund may invest in deposits only with an approved bank and which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months; and

25. where the investment policy of the Fund is to replicate the composition of a relevant index, the Fund may invest up to 20% of the Net Asset Value of its Scheme Property in shares and debentures which are issued by the same body, which limit can be raised to 35% in respect of one body only and where justified by exceptional market conditions. The Scheme Property need not consist of the exact composition and weighting of the underlying in the relevant index where the investment objective of the Fund is to achieve a result consistent with the replication of an index rather than an exact replication. A relevant index is one which satisfies three criteria: the composition must be sufficiently diversified; the index must represent an adequate benchmark for the market to which it refers and the index must be published in an appropriate manner. This does not apply to Multi-Manager European Equity Fund*, Multi-Manager Global Real Estate Securities Fund, Multi-Manager International Equity Fund, Multi-Manager UK Equity Income Fund, Multi-Manager UK Equity Focus Fund or Multi-Manager UK Equity Growth Fund.

There are some limits which apply to the Company as a whole:-

1. The Company must not acquire:-
    a. transferable securities (other than debt securities) which do not carry a right to vote on any matter at a general meeting of the body corporate that issued them and which represent more than 10% of those securities issued by that body corporate;
    b. more than 10% of the debt securities issued by any single body;
    c. more than 25% of the units in a collective investment scheme; or
    d. more than 10% of the approved money market instruments issued by a single body

   but need not comply with those limits in b, c and d above if, at the time of acquisition, the net amount in issue of the relevant investment cannot be calculated.

2. The Company may only acquire transferable securities issued by a body corporate carrying rights to vote at a general meeting of that body corporate if the aggregate number of such securities held by the Company does not give the Company power significantly to influence the conduct of business of that body corporate immediately before the acquisition and the acquisition will not give Company such power. The power significantly to influence is assumed if such securities allow the Company to exercise or control the exercise of 20% or more of the voting rights in that body corporate.

   What would otherwise be a breach of any of the above limits will not be treated as such where it arises from the exercise of a right attributable to an investment acquired by a Fund in certain circumstances and the prior written consent of the Depositary is obtained to its exercise but, in that event and in the event of any breach of any of the above investment limits which was beyond the control of the ACD and the Depositary, the ACD must take such steps as are necessary to restore compliance with the relevant investment limits as soon as is reasonably practicable having regard to the interests of Shareholders in the relevant Fund and, in any event, within a period of six months (or, in the case of a derivatives or a forward transaction within 5 business days unless such period can be extended pursuant to the FCA Rules) after the date of discovery of the relevant circumstance.

Derivatives and forward transactions

Only certain types of derivatives and forward transactions can be effected for a Fund, namely:-

1. transactions in approved derivatives (ie effected on or under the rules of an eligible derivatives market); and
2. permitted over the counter transactions in derivatives.

The underlying must consist of any or all of the following (to which the Fund is dedicated): permitted transferable securities; permitted approved money market instruments; permitted deposits; permitted derivatives; permitted collective investment scheme units; financial indices; interest rates; foreign exchange rates and currencies. A derivatives transaction must not cause the Fund to diverge from its stated investment objectives and 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, collective investment scheme units or derivatives, provided that a sale is not to be considered as uncovered if the conditions in the FCA Rules (Requirement to cover sales) are satisfied.

The eligible derivatives markets for each Fund are listed in Appendix A and a new eligible derivatives market may be added to any of those lists in the manner described in that Appendix.

Any forward transactions must be with an eligible institution or an approved bank.

Where a Fund invests in derivatives, the exposure to the underlying assets must not exceed the limits in points 5 - 14 above. Where a transferable security or approved money market instrument embeds a derivative, this must be taken into account for the purposes of complying with COLL 5.2 of the FCA Rules. Where the Fund invests in an index based derivative, provided the index is a relevant index as set out in point 22 above, and subject to the ACD taking account of the rules on prudent spread of risk, the underlying constituents of the index do not have to be taken into account for the purposes of the limits in points 5 - 14.

A derivatives or forward transaction which will or could lead to delivery of property for the account of the Fund may be entered into only if such property can be held by the Fund and the ACD having taken reasonable care determines that delivery of the property under the transaction will not occur or will not lead to a breach of the FCA Rules.

Except in relation to deposits, no agreement by or on behalf of a Fund to dispose of Scheme Property or rights may be made unless (a) the obligation to make the disposal (and any other similar obligation) could immediately be honoured by the Fund by delivery of property or the assignment (or, in Scotland, assignation) of rights and (b) the property and rights are owned by the Fund at the time of the agreement.

Any transaction in an over the counter derivative must be (a) in a future, option or contract for differences; (b) with an approved counterparty (namely an eligible institution, an approved bank or a person whose FCA permission or Home State authorisation permits it to enter into the transaction as a principal off-exchange); (c) on approved terms (ie the ACD carries out, at least daily, a reliable and verifiable valuation in respect of that transaction corresponding to its fair value and which does not rely only on market quotations by the counterparty and the ACD can enter into one or more further transactions to sell, liquidate or close out that transaction at any time, at its fair value, (being the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction); (d) capable of reliable valuation (ie if the ACD having taken reasonable care determines that, throughout the life of the derivative (if the transaction is entered into), it will be able to value the investment concerned with reasonable accuracy on the basis of an up-to-date market value which the ACD and the Depositary have agreed is reliable or (if this is not available) on the basis of a pricing model which the ACD and the Depositary have agreed uses an adequate recognized methodology); and (e) subject to verifiable valuation (i.e. if throughout the life of the derivative (if the transaction is entered into) verification of the valuation is carried out entirely by an appropriate third party independent of the counterparty at an adequate frequency in such a way that the ACD is able to check it or, by a department within the ACD which is independent from the department managing the Scheme Property and which is adequately equipped for the purpose).

In respect of part (c) of the immediately preceding paragraph, the ACD must establish, implement and maintain arrangements and procedures which ensure appropriate, transparent and fair valuation of the exposures of the Company to OTC derivatives and ensure that the fair value of OTC derivatives is subject to adequate, accurate and independent assessment. Where the arrangements and procedures involve the performance of certain activities by third parties, the ACD must comply with due diligence and additional requirements. The arrangements and procedures referred to in this paragraph must be adequate and proportionate to the nature and complexity of the OTC derivative concerned and adequately documented.

Cover for transactions in derivatives and forward transactions

The ACD must ensure that its global exposure relating to the derivative and forward transactions held in the Fund does not exceed the net value of the Scheme Property. The global exposure must be calculated on at least a daily basis. 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 position.

Cash obtained from borrowing and borrowing which the ACD reasonably regards an eligible institution or an approved bank to be committed to provide, is available for cover in the following circumstances:

Where the Company borrows an amount of currency from an eligible institution or an approved bank and keeps an amount in another currency, at least equal to the borrowing, on deposit with the lender (or his agent or nominee), COLL 5.3 of the FCA Rules applies as if the borrowed currency and not the deposited currency were part of the Scheme Property.

The ACD must, at least daily, recalculate the amount of cover required in respect of derivatives and forward positions already in existence. Derivatives and rights under forward transactions may be retained in the Scheme Property only so long as they remain globally covered.

The ACD is required by the FCA rules to ensure that global exposure relating to derivatives and forward transactions does not exceed the net value of the fund. There are 2 methods allowed to calculate global exposure.

(1) the incremental exposure and leverage generated through the use of derivatives and forward transactions (including embedded derivatives) which may not exceed 100% of the Net Asset Value of the Scheme Property “the commitment approach” or

(2) the market risk of a Fund, by way of the value at risk (VAR) approach.

The ACD decides on the method suitable for each fund by taking into account: the investment strategy; types and complexities of the derivatives and forward transactions used and the proportion of the fund comprising derivatives and forward transactions.

The ACD has decided to use the commitment approach to calculate global exposure for all Funds. The commitment approach converts each financial derivative instrument position into the market value of an equivalent position in the underlying asset of that derivative.

Use of derivatives for each Fund –

Multi-Manager European Equity Fund; Multi-Manager Global Real Estate Securities Fund; Multi-Manager International Equity Fund; Multi-Manager UK Equity Income Fund; Multi-Manager UK Equity Focus Fund; and Multi-Manager UK Equity Growth Fund;* **these Funds may use derivatives transactions for the purposes of Efficient Portfolio Management ("EPM") as set out below and hedging. In the opinion of the ACD, at no time does the use of derivatives for EPM increase the risk profile or volatility of any of these Funds. The ACD must use a risk management process enabling it to monitor and measure as frequently as appropriate the risk of a scheme's positions and their contribution to the overall risk profile of the scheme. Before using this process the ACD will notify the FCA of the details of the risk management process.**

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

Efficient Portfolio Management (Derivatives)

This section describes the transactions which are permitted for the purposes of EPM:-

1. Each of the specified Funds may enter into permitted transactions (see 6 below) for the purpose of EPM, but only when each of the following two conditions is satisfied:
   (a) the transaction is economically appropriate to that purpose (see 4 below); and
   (b) the transaction is fully covered (see 7 below).
2. Any such transaction must only be entered into if its purpose (see 3 below) is to achieve one or more of the following in respect of the Fund:
   (a) the reduction of risk;
   (b) the reduction of cost; and
   (c) the generation of additional capital or income for the Fund with an acceptably low level of risk which is consistent with the Fund's risk profile and the risk diversification rules laid down in the FSA Rules (see 5 below).
3. The purpose (in 2 above) must relate to:
   (a) the Scheme Property of the Fund;
   (b) property (whether precisely identified or not) which is to be or is proposed to be acquired for the Fund; or
   (c) anticipated cash receipts of the Fund, if due to be received at some time and likely to be received within one month.
4. A transaction will be economically appropriate (for the purpose of 1(a) above) if it is one which (alone or in combination with one or more others) is ascertained with reasonable care by the ACD to be economically appropriate to the efficient portfolio management of the Fund. The ACD must take reasonable care to determine that:
   (a) for transactions undertaken to reduce risk or cost (or both), the transaction (alone or in combination) will diminish a risk or cost of a kind or level which it is sensible to reduce; and
   (b) for transactions undertaken to generate additional capital or income, the Fund is certain (or certain barring events which are not reasonably foreseeable) to derive a benefit from the transaction.
   A transaction will not be considered economically appropriate if its purpose could reasonably be regarded as speculative.

Where the transaction relates to the actual or potential acquisition of transferable securities, then the ACD must intend that the Fund should invest in transferable securities within a reasonable time; and it must thereafter ensure that, unless the position has itself been closed out, that intention is realised within that reasonable time.

5. There is an acceptably low level of risk, for the purposes of 2 (c) above, in any case where the ACD has taken reasonable care to determine that the Fund is certain (or certain barring events which are not reasonably foreseeable) to derive a benefit:
   (a) from taking advantage of pricing imperfections in relation to the acquisition and disposal (or disposal and acquisition) of rights in relation to property the same as, or equivalent to, property which the Fund holds or may properly hold; or
   (b) from receiving a premium for the writing of a covered call option or a covered put option, even if that benefit is obtained at the expense of surrendering the chance of yet greater benefit; or
   (c) from stock lending or repos.
6. A permitted transaction (for the purpose of 1) above is a transaction in derivatives or a forward transaction in a currency which meets the following criteria:
   A transaction in derivatives (futures, options or contracts for difference) must be:
   (a) in an approved derivative (i.e. traded on an eligible derivatives market); or
   (b) one which is (i) a future or an option or a contract for differences resembling an option; (ii) with an approved counterparty (a counterparty to a transaction in derivatives is approved only if the counterparty is: (A) an eligible institution or an approved bank; or (B) a firm whose FCA permission or Home State authorisation, permits it to enter into the transaction as principal off-exchange); (iii) on approved terms (i.e. the ACD carries out at least daily a reliable and verifiable valuation in respect of that transaction corresponding to its fair value and which does not rely only on market quotations by the counterparty and the ACD can enter into one or more transactions to sell, liquidate or close out that transaction, at a fair value); and (iv) capable of reliable valuation (a transaction in derivatives is capable of reliable valuation only if the ACD having taken reasonable care determines that, throughout the life of the derivative (if the transaction is entered into), it will be able to value the investment concerned with reasonable accuracy on the basis of an up-to-date market value which the ACD and the Depositary have agreed is reliable or (if this is not available) on the basis of a pricing model which the ACD and the Depositary have agreed uses an adequate recognised methodology); and (d) subject to verifiable valuation (ie if throughout the life of the derivative (if the transaction is entered into) verification of the valuation is carried out by an appropriate third party independent of the counterparty at an adequate frequency in such a way that the ACD is able to check it, or by a department within the ACD which is independent from the department managing the Scheme Property and which is adequately equipped for the purpose); or
   (c) a synthetic future.
   Any transaction in an approved derivative must be effected on or under the rules of an eligible derivatives market.
   A forward transaction must be with an approved counterparty within the meaning of 6 (b)(ii).
   Not more than 5% of the value of the Scheme Property is to be directed to initial outlay in respect of over the counter transactions with any one counterparty.
   A transaction in derivatives or forward transaction which would or could lead to delivery of property to the depositary (or to the Company) may be entered into only if:
   (a) the property can be held by the Fund; and
   (b) the ACD has taken reasonable care to determine that delivery of the property by the transaction will not lead to a breach of the requirements of these EPM provisions.
7. No transaction may be entered into for EPM purposes unless the maximum potential exposure created by the transaction, in terms of the principal or notional principal of the derivative or forward contract, is:
   (a) covered individually (Exposure is covered individually if there is, in the Scheme Property: (i) (in the case of an exposure in terms of property) a transferable security or other property which is of the right kind, and sufficient in amount, to match the exposure; and (ii) (in the case of an exposure in terms of money), cash or near cash (or borrowing under 9) or transferable securities which is or are, or, on being turned into money in the right currency, will be, sufficient in amount to match the exposure.
   Exposure to an index or basket of securities or other assets is covered individually if the Fund holds securities or other property which (taking into account the closeness of the relationship

between fluctuations in the price of the two) can reasonably be regarded as appropriate to provide cover for the exposure; they may be so regarded even if there is not complete congruence between the cover and the exposure); and

(b) covered globally (Exposure is covered globally for the purposes of this section if, after taking account of all the cover required under 7 (a) for other positions already in existence, adequate cover from within the Scheme Property is available to enable the fresh transaction to be entered into).

A transaction in derivatives or forward transaction is not available to provide cover for another derivative or forward transaction, but:

(a) the two transactions involved in a synthetic future are to be treated as if they were a single derivative, and the net exposure from the combination is to be covered on the basis of the higher of the cover requirements of the options which make up the synthetic future;

(b) synthetic cash is available to provide cover for a transaction as if it were cash; and

(c) a covered currency forward or a covered currency derivative may provide cover for a derivative.

Property anticipated under a derivative transaction does not count as property under 7(a)(i).

Property is not available for cover if it is the subject of a stock lending or repo transaction unless the ACD has taken reasonable care to determine that it is obtainable (by return or re-acquisition) in time to meet the obligation for which cover is required.

Where index derivatives are used, cover may be provided by securities even if there is not complete congruence between the components of the index and the securities, provided that it is reasonable to use one as appropriate to cover for the other, taking into account the closeness of the relationship between fluctuations in their prices (see 7). In considering the appropriateness of the instrument, the ACD will need to take reasonable care that it is economic, suitable and reasonably congruent.

8. The ACD must, at least daily, re-calculate the amount of cover required in respect of positions already in existence under these EPM provisions. Derivatives and rights under forward transactions may be retained in the Scheme Property only so long as they remain covered both individually and globally under 7.

   If at any time:

   (a) any fact or matter relating to the Fund or its economic environment; or

   (b) the aggregate of all outstanding positions under these EPM provisions;

   is such that at least one of the relevant transactions (assuming it did not exist) could not properly be effected, either in that size or at all, the ACD must immediately on becoming aware of that fact take the necessary steps to rectify the situation, whether by closing out or by providing additional cover or otherwise.

9. Cash obtained by borrowing, and borrowings which the ACD reasonably regards an eligible institution or an approved bank to be committed to provide, are available for cover under (7) as long as the normal limits on borrowing are observed. Where the Company:

   (a) borrows an amount of currency from an eligible institution or an approved bank; and

   (b) keeps an amount in another currency, at least equal to the borrowing for the time being in (a), on deposit with the lender (or his agent or nominee);

   then these EPM provisions apply as if the borrowed currency, and not the deposited currency, were part of the Scheme Property, and the normal limits on borrowing do not apply to that borrowing.

Additionally, a derivative transaction could not be entered into for EPM purposes if its purpose could reasonably be regarded as speculative.

Stock Lending, Repos and Underwriting

As an extension of efficient portfolio management techniques, the ACD (or the Depositary acting in accordance with the instructions of the ACD) may enter into certain repo contracts and/or stock lending transactions in respect of any Fund. The ACD has appointed State Street Bank & Trust Company ("SSBTC") to perform and enter into stocklending arrangements as agent of the Company in relation to the Funds. SSBTC is entitled to receive a fee for its role in the stocklending arrangements; details are set out on page 30, under Section 7 (“Fees and Expenses”).

Briefly, stocklending transactions are those where the lender delivers securities which are the subject of the transaction in return for which it is agreed that securities of the same kind and amount should be redelivered to it at a later date and, at the time of initial delivery, the lender receives collateral to cover against the risk of the future redelivery not being completed.

Repo transactions involve an agreement for the sale of securities pursuant to which the seller agrees to buy back the securities at later date. The repurchase price is normally greater than the original sale price, the difference effectively representing interest. The buyer receives securities from the seller as collateral to protect them against default by the seller. Reverse repos are the opposite, whereby a person buys securities from a seller and then sells them back at a later date for a higher price.

Subject to compliance with any other limits in this Prospectus or COLL 5, there is no limit on the Net Asset Value of the Scheme Property of any Fund which may be the subject of such stock lending or repo transactions. **The expected amount of the scheme property which will be used for stocklending purposes for each Fund is between 0-20% of NAV.** Stock lending may be a part of the Efficient Portfolio Management process.

None of the Funds currently enter into repo transactions.

Such transactions must always comply with the relevant requirements of the Taxation of Chargeable Gains Act 1992, and may only be entered into 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; or
  - a person registered as a broker-dealer with the Securities and Exchange Commission of the United States of America; or
  - a bank, or a branch of a bank, supervised and authorised to deal in investments as principal, with respect to OTC derivatives by at least one of the following federal banking supervisory authorities of the United States of America: the Office of the Comptroller of the Currency; the Federal Deposit Insurance Corporation; the Board of Governors of the Federal Reserve System; and the Office of Thrift Supervision; and
- (except for stocklending transactions made through Euroclear Bank SA/NV's Securities Lending and Borrowing Programme) high quality and liquid collateral is obtained to secure the obligation of the counterparty under terms specified in the FCA Rules and the collateral is:
  - acceptable to the Depositary;
  - adequate; and
  - sufficiently immediate;. and
  - compliant with the requirements of ESMA Guidelines on ETFs and other UCITS issues (ESMA/2012/832EN).

*The counterparty for these purposes is the person who is obliged under the stocklending or repo agreement to transfer to the Depositary the securities transferred by the Depositary under the stock lending arrangement or securities of the same kind.

The ACD and the stocklending agent have agreed minimum requirements for stocklending and repo transactions. These requirements include (i) a list of eligible counterparties that can be transacted with; and (ii) minimum haircuts and credit rating requirements for acceptable collateral. In addition, the stocklending agent carries out a detailed credit evaluation of any proposed new counterparty in line with internally developed methodologies, including an assessment of the counterparty's credit rating, strengths, weaknesses, risk profile, financial metrics and balance sheet position, liquidity profile and external credit rating; and considers whether the counterparty is from an approved jurisdiction (as determined by the ACD and the stocklending agent from time to time in accordance with internal risk processes).

Agreements and understandings with regard to the underwriting and sub-underwriting of securities or the acceptance of placing commitments may also, subject to certain conditions set out in the FCA Rules, be entered into for the account of any Fund.

Collateral for stocklending and repos

For the purposes of stocklending or repo transactions, collateral is adequate only if it is:

- transferred to the Depositary or its agent;
- received under a title transfer arrangement; and
- at all times equal in value to the market value of the securities transferred by the Depositary plus a premium;

and the Depositary must ensure that the value of the collateral at all times meet these requirements. The duty to do so 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.

Permitted types of collateral for stocklending and repos are defined in the ACD's collateral management policy. Currently in terms of the policy the following types of collateral will be accepted:

- cash (USD, Euro and GBP);
- bonds issued by governments or their agencies, supranational entities, corporate bonds (including convertible bonds), and asset and mortgage-backed securities, in each case having a minimum investment grade rating of A-;
- money market instruments (being debt securities issued by financial institutions such as banks for short term borrowing purposes (which usually pay a fixed rate of interest)(including commercial paper, treasury bills and certificates of deposit)); and
- equity securities from an agreed list of stock indices (such indices being made up of groups of shares traded on relevant stock markets which are grouped together due to their particular characteristics (for example, sector, market segment, geography, economy)).

Where the collateral is invested in units in a qualifying money market fund (being a fund which invests in money market instruments) managed or operated by (or, for an ICVC, whose authorised corporate director is) the ACD or an associate of the ACD, the conditions in paragraph 19 of Appendix B must be complied with.

Collateral is sufficiently immediate for the purposes of this section if:

- it is transferred before or at the time of the transfer of the securities by the Depositary; or
- the Depositary takes reasonable care to determine at the time referred to above that it will be transferred at the latest by the close of business on the day of the transfer.

Any agreement for transfer at a future date of securities or of collateral (or of the equivalent of either) under this paragraph may be regarded, for the purposes of valuation and pricing of the Company or this Appendix, as an unconditional agreement for the sale or transfer of property, whether or not the property is part of the property of the authorised fund.

Collateral transferred to the Depositary is part of the scheme property for the purposes of the rules in the FCA Rules, except in the following respects:

- it does not fall to be included in any calculation of NAV, because it is offset by an obligation to transfer; and
- it does not count as scheme property for the purpose of the FCA's COLL Rules relating to investment and borrowing powers (other than those which relate to stocklending in COLL 5.2).

Collateral will be valued, and may be adjusted, on a daily basis, using available market prices. The valuation of collateral reflects the daily marked to market value and takes into account appropriate discounts which will be determined by the ACD for each asset class.

A summary of the ACD's collateral management policy is set out on page 50 under Section 13, "General Information".

Borrowing Powers

The Company may, in accordance with the FCA Rules, borrow money from an eligible institution or approved bank (as defined for the purposes of the FCA Rules) for the use of any Fund on terms that the borrowing is to be repayable out of the Scheme Property of that Fund.

Borrowings must not be persistent. Each borrowing must be on a temporary basis and in any event must not be for a period exceeding 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.

The ACD must ensure that a Fund's borrowing does not, on any business day, exceed 10% of the Net Asset Value of the Scheme Property of that Fund.

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).

Appendix C
Determination of Net Asset Value

Calculation of the Net Asset Value

The Net Asset Value of the Company or each Fund (as the case may be) will be the value of the assets comprised in its Scheme Property less the value of its liabilities (or in the case of a Fund, the liabilities attributable to it) and will be determined in accordance with the following provisions:-

1. all the Scheme Property (including receivables) is to be included, subject to the following provisions;

2. property which is not an asset dealt with in paragraphs 3 to 4A (inclusive) below shall be valued as set out below and the prices used shall (subject as set out below) be the most recent prices which it is practicable to obtain:-

   (a) units or shares in a collective investment scheme:-

      (i) if a single price for buying and selling units or shares is quoted, at that price; or

      (ii) if separate buying and selling prices are quoted, at the average of the two prices provided the buying price has been reduced by any initial or preliminary charge included therein and the selling price has been increased by any exit or redemption charge attributable thereto; or

      (iii) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no recent price exists or if the most recent price available does not reflect the ACD's best estimate of the value of the units or shares, at a value which, in the opinion of the ACD, is fair and reasonable;

   (b) any other investment:-

      (i) if a single price for buying and selling the security is quoted, at that price; or

      (ii) if separate buying and selling prices are quoted, at the average of the two prices; or

      (iii) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no price exists or if the most recent price available does not reflect the ACD's best estimate of the value of the security, at a value which, in the opinion of the ACD, is fair and reasonable;

   (c) property other than that described in sub-paragraphs (a) and (b) above, at a value which, in the opinion of the ACD, represents a fair and reasonable mid-market price;

3. cash and amounts held in current, deposit and margin accounts and in other time-related deposits shall be valued at their nominal values;

3A. approved money market instrument which have a residual maturity of less than three months and have no specific sensitivity to market parameters, including credit risk, shall be valued on an amortised cost basis;

4. exchange-traded derivative contracts shall be treated as follows:-

   (a) if a single price for buying and selling the exchange-traded derivative contract is quoted, at that price; or

   (b) if separate buying and selling prices are quoted, at the average of the two prices;

4A. over-the-counter derivative contracts shall be valued on the basis of an up-to-date market valuation which the ACD and the Depositary have agreed is reliable or if this is not available on the basis of a pricing model which the ACD and the Depositary have agreed;

5. all instructions given to issue or cancel Shares shall be assumed to have been carried out (and any cash paid or received) whether or not this is the case;

6. subject to paragraph 7 and 7A below, agreements for the unconditional sale or purchase of property (excluding futures or contracts for differences which are not yet due to be performed and unexpired and unexercised written or purchased options) which are in existence but uncompleted shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if they are made shortly before the valuation takes place and, in the opinion of the ACD, their omission will not materially affect the final net asset amount;

7. all agreements are to be included under paragraph 6 which are, or ought reasonably to have been, known to the person valuing the property;

7A. Futures or contracts for differences, which are not yet due to, be performed and unexpired and unexercised written or purchased options shall not be included under paragraph 6.

8. deduct an estimated amount for anticipated tax liabilities (on unrealized gains where the liabilities have accrued and are payable out of the Scheme Property; on realized gains in respect of previously completed and current accounting periods; and on income where liabilities have accrued) at that point in time including (as applicable and without limitation) any liability for capital gains tax, income tax, corporation tax, value added tax, stamp duty and stamp duty reserve tax;

9. deduct an estimated amount for any liabilities payable out of the Scheme Property and any tax thereon, for this purpose treating periodic items as accruing from day to day;

10. deduct the principal amount of any outstanding borrowings whenever payable and any accrued but unpaid interest on borrowings;

11. add an estimated amount for accrued claims for tax of whatever nature which may be recoverable;

12. add any other credits or amounts due to be paid into the Scheme Property;

13. add a sum representing any interest or any income accrued due or deemed to have accrued but not received and any stamp duty reserve tax provision anticipated to be received;

14. currencies or values in currencies other than base currency of the Company or (as the case may be) the designated currency of a Fund shall be converted at the relevant Valuation Point at a rate of exchange that is not likely to result in any material prejudice to the interests of Shareholders or potential Shareholders.

15. add the total amount of any cost determined to be, but not yet, amortised relating to the authorisation and incorporation of the Company and of its initial offer or issue of Shares

Proportionate Interests

1. If there is more than one Class in issue in respect of a Fund, the proportionate interests of each Class in the assets and income of the Fund shall be ascertained as follows:-

   (i) A notional account will be maintained for each Class. Each account will be referred to as a "**Proportion Account**".

   (ii) The word "proportion" in the following paragraphs means the proportion which the balance on a Proportion Account at the relevant time bears to the balance on all the

Proportion Accounts of a Fund at that time. The proportionate interest of a Class of share in the assets and income of a Fund is its "proportion".

(iii) There will be credited to a Proportion Account:

- the subscription money (excluding any initial or preliminary charges) for the issue of Shares of the relevant Class;
- • that Class's proportion of the amount by which the Net Asset Value of the Fund exceeds the total subscription money for all Shares in the Fund;
- the Class's proportion of the Fund's income received and receivable; and
- any notional tax benefit under paragraph (v) below.

(iv) There will be debited to a Proportion Account:-

- the redemption payment (including any exit or redemption charges payable to the ACD but excluding any dilution levy) for the cancellation of Shares of the relevant Class;
- the Class's proportion of the amount by which the Net Asset Value of the Fund falls short of the total subscription money for all Shares in the Fund;
- all distributions of income (including equalisation if any) made to Shareholders of that Class;
- all costs, charges and expenses incurred solely in respect of that Class;
- that Class's proportion of the costs, charges and expenses incurred in respect of that Class and one or more other Classes in the Fund, but not in respect of the Fund as a whole;
- that Class's proportion of the costs, charges and expenses incurred in respect of or attributable to the Fund as a whole; and
- any notional tax liability under paragraph (v).

(v) Any tax liability in respect of the Fund and any tax benefit received or receivable in respect of the Fund will be allocated between Classes in order to achieve, so far as possible, the same result as would have been achieved if each Class were itself a Fund so as not materially to prejudice any Class. The allocation will be carried out by the ACD after consultation with the Company's auditors.

(vi) Where a Class is denominated in a currency which is not the base currency of the Company, the balance on the Proportion Account shall be converted into the base currency of the Company in order to ascertain the proportions of all Classes. Conversions between currencies shall be at a rate of exchange decided by the ACD as being a rate that is not likely to result in any material prejudice to the interests of Shareholders or potential Shareholders.

(vii) The Proportion Accounts are notional accounts maintained for the purpose of calculating proportions. They do not represent debts from the Company to Shareholders or the other way round.

2. Each credit and debit to a Proportion Account shall be allocated to that account on the basis of that Class's proportion immediately before the allocation. All such adjustments shall be made as are necessary to ensure that on no occasion on which the proportions are ascertained is any amount counted more than once.

3. When Shares are issued thereafter each such Share shall represent the same proportionate interest in the property of the relevant Fund as each other Share of the same category and Class then in issue in respect of that Fund.

4. The Company shall allocate the amount available for income allocation (calculated in accordance with the FCA Rules) between the Shares in issue relating to the relevant Fund according to the respective proportionate interests in the property of the Fund represented by the Shares at the Valuation Point in question.

5. The Company may adopt a different method of calculating the proportionate interests of each Class in the assets and income of a Fund from that set out in this part of Appendix C provided that the Directors are satisfied that such method is fair to Shareholders and that it is reasonable to adopt such method in the given circumstances.

6. For Shares of each Class a smaller denomination share of that Class shall represent such proportion of a larger denomination share of that Class for the purposes of calculating the proportionate interests of such Shares in the assets and income of a Fund as the proportion which a smaller denomination share bears to a larger denomination share in accordance with this Prospectus and the Instrument of Incorporation.

Appendix D
Fund Details

Name:	**Multi-Manager European Equity Fund** (Please note that this Fund is a Russell Multi-Manager Fund) **FCA Product Reference ("PRN"):not applicable** ***Please note that this Fund is in the process of being terminated and accordingly is not currently available for investment***
Investment Objective and Policy:	The Fund's aim is to provide total returns by investing at least two-thirds of the Fund's total assets in shares and other equity instruments issued by companies domiciled in or carrying on a preponderant part of their business activities in Europe. The Fund may also invest the remaining portion of its assets in other equities, in new issues for which application for listing on a stock exchange will be sought, in other transferable securities and in convertibles, warrants, cash, near cash, money market instruments, deposits and in collective investment schemes. The investments will be selected with a view to achieving the Fund's objective of providing total returns. The assets of the Fund will at all times be managed by at least three managers.
ISA:	It is intended that the Fund will be managed so as to ensure that shares in the Fund:- (a) constitute qualifying investments for the purposes of the various HM Revenue & Customs regulations governing Individual Savings Accounts as may be applied from time to time; and (b) can be held by a fund of funds scheme or a UCITS scheme the units or shares of which are qualifying investments for those purposes.
Share Classes:	Class A net accumulation shares Class A net income shares Class B net accumulation shares Class B net income shares Class C net accumulation shares Class C net income shares Class P net accumulation shares Class P net income shares Class X net accumulation shares Class X net income shares
Minimum Initial Investment:	Both Class A share classes: £1,000 Both Class B share classes: £10,000,000 Both Class C share classes: £5,000,000 Both Class P share classes: £5,000,000 Both Class X share classes: £5,000,000
Minimum Subsequent	Both Class A share classes: £1,000 Both Class B share classes: £10,000

Investment:	Both Class C share classes:	£10,000
	Both Class P share classes:	£10,000
	Both Class X share classes:	£10,000
Minimum Holding:	Both Class A share classes:	£1,000
	Both Class B share classes:	£2,000,000
	Both Class C share classes:	£1,000,000
	Both Class P share classes:	£1,000,000
	Both Class X share classes:	£1,000,000
Minimum Partial Redemption:	All share classes (A, B, C, P and X):	£1,000
Preliminary Charge:	Both Class A share classes:	5% (current)
	Both Class B share classes:	3.75% (current)
	Both Class C share classes:	3.75% (current)
	Both Class P share classes:	3.75% (current)
	Both Class X share classes:	3.75% (current)
Annual Management Charge:	Both Class A share classes:	1.75% (current)
	Both Class B share classes:	0.95% (current)
	Both Class C share classes:	1.25% (current)
	Both Class P share classes:	0.90% (current)
	Both Class X share classes:	0.53% (current)
Interim Accounting Period(s):	1 October to 31 March	
Income Allocation Date(s):	Not applicable	
Additional power re government & public securities:	Not applicable	
Use of derivatives:	For EPM only (as set out at pages 59 to 61)	
Historic performance:	Detailed in Appendix F.	
Profile of typical investor:	The Fund will be marketed towards retail and institutional investors. Investors should have regard to both the Investment Objective and Policy of the Fund and the Risk Factors detailed in section 12 of this Prospectus. Investors are advised to consult with their professional advisers in respect of any investment decision.	
Status of Fund for UK tax purposes	The Fund is not a bond fund for UK tax purposes and therefore any income paid or allocations made will constitute a dividend distribution.	

Name:	**Multi-Manager Global Real Estate Securities Fund** (Please note that this Fund is a Russell Multi-Manager Fund) FCA Product Reference (“PRN”):638415
Investment Objective and Policy:	The Fund’s aim is to provide a combination of income and growth of capital by investing at least two-thirds of the Fund's total assets in transferable securities of listed companies and other vehicles, including Real Estate Investment Trusts ("REITs"), and collective investment schemes, each of whose main activities include the ownership, management and/or development of real estate around the world. The Fund may also invest the remaining portion of its assets in other equities, in new issues for which application for listing on a stock exchange will be sought, in other transferable securities and in convertibles, warrants, cash, near cash, money market instruments, deposits and in other collective investment schemes. The assets of the Fund will at all times be managed by at least three managers.
ISA:	It is intended that the Fund will be managed so as to ensure that shares in the Fund:- (a) constitute qualifying investments for the purposes of the various HM Revenue & Customs regulations governing Individual Savings Accounts as may be applied from time to time; and (b) can be held by a fund of funds scheme or a UCITS scheme the units or shares of which are qualifying investments for those purposes.
Share Classes:	Class A net accumulation shares* Class A net income shares* Class B net accumulation shares* Class B net income shares* Class C net accumulation shares* Class P net accumulation shares Class P net income shares* Class Q net accumulation shares Class Q net income shares* Class S net accumulation shares* Class S net income shares Class X net accumulation shares* Class X net income shares *** indicates those share classes which are available as at the date of this Prospectus.** **The ACD may, at its entire discretion, make the other share classes available at any time.**
Minimum Initial Investment:	Both Class A share classes: £1,000 Both Class B share classes: £1,000 Both Class C share classes: £1,000 Both Class P share classes: £5,000,000

	Both Class Q share classes:	£5,000,000
	Both Class S share classes:	£1,500
	Both Class X share classes:	£5,000,000
Minimum Subsequent Investment:	Both Class A share classes:	£1,000
	Both Class B share classes:	£1,000
	Both Class C share classes:	£1,000
	Both Class P share classes:	£10,000
	Both Class Q share classes:	£10,000
	Both Class S share classes:	£1,500
	Both Class X share classes:	£10,000
Minimum Holding:	Both Class A share classes:	£1,000
	Both Class B share classes:	£1,000
	Both Class C share classes:	£1,000
	Both Class P share classes:	£1,000,000
	Both Class Q share classes:	£1,000,000
	Both Class S share classes:	£1,500
	Both Class X share classes:	£1,000,000
Minimum Partial Redemption:	All sterling share classes (A, B, C, P, Q and X):	£1,000
	Both Class S share classes:	£1,500
Preliminary Charge:	Both Class A share classes:	5% (current)
	Both Class B share classes:	0.00% (current)
	Both Class C share classes:	0.00% (current)
	Both Class P share classes:	0.00% (current)
	Both Class Q share classes:	0.00% (current)
	Both Class S share classes:	5% (current)
	Both Class X share classes:	0.00% (current)
Annual Management Charge:	Both Class A share classes:	1.17% (current)
	Both Class B share classes:	0.37% (current)
	Both Class C share classes:	0.67% (current)
	Both Class P share classes:	0.20% (current)
	Both Class Q share classes:	0.20% (current)
	Both Class S share classes:	1.17% (current)
	Both Class X share classes:	0.00% (current)
Interim Accounting Period(s):	1 October to 31 December 1 January to 31 March 1 April to 30 June	
Income Allocation Date(s):	30 November (annual) 28 February, 31 May, 31 August (interims)	
Additional power re government & public securities:	Not applicable	
Use of derivatives:	For EPM only (as set out at pages 59 to 61)	
Historic performance:	Detailed in Appendix F.	
Profile of typical investor:	The Fund will be marketed towards retail and institutional investors. Investors should have regard to both the Investment Objective and Policy of the Fund and the Risk Factors detailed in section 12 of this Prospectus. Investors are advised to consult with their professional	

advisers in respect of any investment decision.

Status of Fund for UK tax purposes	The Fund is not a bond fund for UK tax purposes and therefore any income paid or allocations made will constitute a dividend distribution.

Name:	**Multi-Manager International Equity Fund** (Please note that this Fund is a AIS Multi-Manager Fund) FCA Product Reference ("PRN"):638409
Investment Objective and Policy:	The Fund's aim is to provide a combination of income and growth of capital by investing at least two-thirds of the Fund's total assets in shares and other equity instruments which are issued by companies located around the world in various jurisdictions, excluding the UK. The Fund may also invest the remaining portion of its assets in other equities (including UK equities), in new issues for which application for listing on a stock exchange will be sought, in other transferable securities and in convertibles, warrants, money market instruments, deposits and in collective investment schemes. The assets of the Fund will at all times be managed by at least three managers.
ISA:	It is intended that the Fund will be managed so as to ensure that shares in the Fund:- (a) constitute qualifying investments for the purposes of the various HM Revenue & Customs regulations governing Individual Savings Accounts as may be applied from time to time; and (b) can be held by a fund of funds scheme or a UCITS scheme the units or shares of which are qualifying investments for those purposes.
Share Classes:	Class A net accumulation shares* Class B net accumulation shares* Class B net income shares Class C net accumulation shares* Class P net accumulation shares Class P net income shares* Class Q net accumulation shares Class Q net income shares* Class X net accumulation shares* Class X net income shares* *** indicates those share classes which are available as at the date of this Prospectus. The ACD may, at its entire discretion, make the other share classes available at any time.**
Minimum Initial Investment:	Both Class A share classes: £1,000 Both Class B share classes: £1,000 Both Class C share classes: £1,000 Both Class P share classes: £5,000,000 Both Class Q share classes: £5,000,000 Both Class X share classes: £5,000,000
Minimum Subsequent Investment:	Both Class A share classes: £1,000 Both Class B share classes: £1,000 Both Class C share classes: £1,000 Both Class P share classes: £10,000 Both Class Q share classes: £10,000 Both Class X share classes: £10,000

Minimum Holding:	Both Class A share classes:	£1,000
	Both Class B share classes:	£1,000
	Both Class C share classes:	£1,000
	Both Class P share classes:	£1,000,000
	Both Class Q share classes:	£1,000,000
	Both Class X share classes:	£1,000,000
Minimum Partial Redemption:	All share classes:	£1,000
Preliminary Charge:	Both Class A share classes:	5% (current)
	Both Class B share classes:	0.00% (current)
	Both Class C share classes:	0.00% (current)
	Both Class P share classes:	3.75% (current)
	Both Class Q share classes:	0.00% (current)
	Both Class X share classes:	0.00% (current)
Annual Management Charge:	Both Class A share classes:	1.14% (current)
	Both Class B share classes:	0.34% (current)
	Both Class C share classes:	0.64% (current)
	Both Class P share classes:	0.20% (current)
	Both Class Q share classes:	0.20% (current)
	Both Class X share classes:	0.00% (current)
Interim Accounting Period(s):	1 October to 31 March	
Income Allocation Date(s):	30 November (annual) 31 May (interim)	
Additional power re government & public securities:	Not applicable	
Use of derivatives:	For EPM only (as set out at pages 59 to 61)	
Historic performance:	Detailed in Appendix F	
Profile of typical investor:	The Fund is marketable towards retail and institutional investors who should have regard to both the Investment Objective and Policy of the Fund and the Risk Factors detailed in section 12 of this Prospectus. Investors are advised to consult with their professional advisers in respect of any investment decision.	
Status of Fund for UK tax purposes	The Fund is not a bond fund for UK tax purposes and therefore any income paid or allocations made will constitute a dividend distribution.	

Name:	**Multi-Manager UK Equity Focus Fund** (Please note that this Fund is a AIS Multi-Manager Fund) FCA Product Reference ("PRN"):638411
Investment Objective and Policy:	The Fund's aim is to provide a combination of income and growth of capital by investing at least two-thirds of the Fund's total assets in shares and other equity instruments issued by companies domiciled in or carrying on a preponderant part of their business activities in the UK. The Fund may also invest the remaining portion of its assets in other equities, in new issues for which application for listing on a stock exchange will be sought, in other transferable securities and in convertibles, warrants, money market instruments, deposits and in collective investment schemes. The investments will be selected with a view to achieving the Fund's objective of providing a combination of income and growth of capital and using focussed stock selection. The assets of the Fund will at all times be managed by at least three managers.
ISA:	It is intended that the Fund will be managed so as to ensure that shares in the Fund:- (a) constitute qualifying investments for the purposes of the various HM Revenue & Customs regulations governing Individual Savings Accounts as may be applied from time to time; and (b) can be held by a fund of funds scheme or a UCITS scheme the units or shares of which are qualifying investments for those purposes.
Share Classes:	Class A net accumulation shares* Class B net accumulation shares* Class B net income shares Class P net accumulation shares Class P net income shares* Class Q net accumulation shares Class Q net income shares* Class X net accumulation shares* Class X net income shares* *** indicates those share classes which are available as at the date of this Prospectus.** **The ACD may, at its entire discretion, make the other share classes available at any time.**

Minimum Initial Investment:	Both Class A share classes:	£1,000
	Both Class B share classes:	£1,000
	Both Class P share classes:	£5,000,000
	Both Class Q share classes:	£5,000,000
	Both Class X share classes:	£5,000,000
Minimum Subsequent Investment:	Both Class A share classes:	£1,000
	Both Class B share classes:	£1,000
	Both Class P share classes:	£10,000
	Both Class Q share classes:	£10,000
	Both Class X share classes:	£10,000

Minimum Holding:	Both Class A share classes: Both Class B share classes: Both Class P share classes: Both Class Q share classes: Both Class X share classes:	£1,000 £1,000 £1,000,000 £1,000,000 £1,000,000
Minimum Partial Redemption:	All share classes:	£1,000
Preliminary Charge:	Both Class A share classes: Both Class B share classes: Both Class P share classes: Both Class Q share classes: Both Class X share classes:	5% (current) 0.00% (current) 0.00% (current) 0.00% (current) 0.00% (current)
Annual Management Charge:	Both Class A share classes: Both Class B share classes: Both Class P share classes: Both Class Q share classes: Both Class X share classes:	1.12% (current) 0.32% (current) 0.20% (current) 0.20% (current) 0.00% (current)
Interim Accounting Period(s):	1 October to 31 March	
Income Allocation Date(s):	30 November (annual) 31 May (interim)	
Additional power re government & public securities:	Not applicable	
Use of derivatives:	For EPM only (as set out at pages 59 to 61)	
Historic performance:	Detailed in Appendix F	
Profile of typical investor:	The Fund is marketable towards retail and institutional investors who should have regard to both the Investment Objective and Policy of the Fund and the Risk Factors detailed in section 12 of this Prospectus. Investors are advised to consult with their professional advisers in respect of any investment decision.	
Status of Fund for UK tax purposes	The Fund is not a bond fund for UK tax purposes and therefore any income paid or allocations made will constitute a dividend distribution.	

Name:	**Multi-Manager UK Equity Growth Fund** (Please note that this Fund is a Russell Multi-Manager Fund) FCA Product Reference ("PRN"):638412
Investment Objective and Policy:	The Fund's aim is to provide a combination of income and growth of capital by investing at least two-thirds of the Fund's total assets in shares and other equity instruments issued by companies domiciled in or carrying on a preponderant part of their business activities in the UK. The Fund may also invest the remaining portion of its assets in other equities, in new issues for which application for listing on a stock exchange will be sought, in other transferable securities and in convertibles, warrants, money market instruments, deposits and in collective investment schemes. The investments will be selected with a view to achieving the Fund's objective of providing a combination of income and growth of capital. The assets of the Fund will at all times be managed by at least three managers.
ISA:	It is intended that the Fund will be managed so as to ensure that shares in the Fund:- (a) constitute qualifying investments for the purposes of the various HM Revenue & Customs regulations governing Individual Savings Accounts as may be applied from time to time; and (b) can be held by a fund of funds scheme or a UCITS scheme the units or shares of which are qualifying investments for those purposes.
Share Classes:	Class A net accumulation shares* Class B net accumulation shares* Class B net income shares* Class P net accumulation shares Class P net income shares* Class Q net accumulation shares Class Q net income shares* Class X net accumulation shares* Class X net income shares *** indicates those share classes which are available as at the date of this Prospectus.** **The ACD may, at its entire discretion, make the other share classes available at any time.**
Minimum Initial Investment:	Both Class A share classes: £1,000 Both Class B share classes: £1,000 Both Class P share classes: £5,000,000 Both Class Q share classes: £5,000,000 Both Class X share classes: £5,000,000
Minimum Subsequent Investment:	Both Class A share classes: £1,000 Both Class B share classes: £1,000 Both Class P share classes: £10,000 Both Class Q share classes: £10,000 Both Class X share classes: £10,000

Minimum Holding:	Both Class A share classes: Both Class B share classes: Both Class P share classes: Both Class Q share classes: Both Class X share classes:	£1,000 £1,000 £1,000,000 £1,000,000 £1,000,000
Minimum Partial Redemption:	All share classes:	£1,000
Preliminary Charge:	Both Class A share classes: Both Class B share classes: Both Class P share classes: Both Class Q share classes: Both Class X share classes:	5% (current) 0.00% (current) 0.00% (current) 0.00% (current) 0.00% (current)
Annual Management Charge:	Both Class A share classes: Both Class B share classes: Both Class P share classes: Both Class Q share classes: Both Class X share classes:	1.25% (current) 0.45% (current) 0.20% (current) 0.20% (current) 0.00% (current)
Interim Accounting Period(s):	1 October to 31 March	
Income Allocation Date(s):	30 November (annual) 31 May (interim)	
Additional power re government & public securities:	Not applicable	
Use of derivatives:	For EPM only (as set out at pages 59 to 61)	
Historic performance:	Detailed in Appendix F	
Profile of typical investor:	The Fund is marketable towards retail and institutional investors who should have regard to both the Investment Objective and Policy of the Fund and the Risk Factors detailed in section 12 of this Prospectus. Investors are advised to consult with their professional advisers in respect of any investment decision.	
Status of Fund for UK tax purposes	The Fund is not a bond fund for UK tax purposes and therefore any income paid or allocations made will constitute a dividend distribution.	

Name:	**Multi-Manager UK Equity Income Fund** (Please note that this Fund is a AIS Multi-Manager Fund) FCA Product Reference (“PRN”):638410
Investment Objective and Policy:	The Fund’s aim is to provide an income by investing at least two-thirds of the Fund's total assets in shares and other equity instruments issued by companies domiciled in or carrying on a preponderant part of their business activities in the UK. The Fund may also invest the remaining portion of its assets in other equities, in new issues for which application for listing on a stock exchange will be sought, in other transferable securities and in convertibles, warrants, money market instruments, deposits and in collective investment schemes. The investments will be selected with a view to achieving the Fund’s objective of providing an income above the average for UK equity funds such as by investing in shares and other equity instruments with a high dividend paying ratio and longer-term capital growth. The assets of the Fund will at all times be managed by at least three managers.
ISA:	It is intended that the Fund will be managed so as to ensure that shares in the Fund:- (a) constitute qualifying investments for the purposes of the various HM Revenue & Customs regulations governing Individual Savings Accounts as may be applied from time to time; and (b) can be held by a fund of funds scheme or a UCITS scheme the units or shares of which are qualifying investments for those purposes.
Share Classes:	Class A net accumulation shares* Class A net income shares* Class B net accumulation shares* Class B net income shares* Class C net accumulation shares* Class C net income shares* Class P net accumulation shares Class P net income shares* Class Q net accumulation shares Class Q net income shares* Class X net accumulation shares* Class X net income shares* *** indicates those share classes which are available as at the date of this Prospectus.** **The ACD may, at its entire discretion, make the other share classes available at any time.**
Minimum Initial Investment:	Both Class A share classes: £1,000 Both Class B share classes: £1,000 Both Class C share classes: £1,000 Both Class P share classes: £5,000,000 Both Class Q share classes: £5,000,000 Both Class X share classes: £5,000,000

Minimum Subsequent Investment:	Both Class A share classes:	£1,000
	Both Class B share classes:	£1,000
	Both Class C share classes:	£1,000
	Both Class P share classes:	£10,000
	Both Class Q share classes:	£10,000
	Both Class X share classes:	£10,000
Minimum Holding:	Both Class A share classes:	£1,000
	Both Class B share classes:	£1,000
	Both Class C share classes:	£1,000
	Both Class P share classes:	£1,000,000
	Both Class Q share classes:	£1,000,000
	Both Class X share classes:	£1,000,000
Minimum Partial Redemption:	All share classes:	£1,000
Preliminary Charge:	Both Class A share classes:	5% (current)
	Both Class B share classes:	0.00% (current)
	Both Class C share classes:	0.00% (current)
	Both Class P share classes:	0.00% (current)
	Both Class Q share classes:	0.00% (current)
	Both Class X share classes:	0.00% (current)
Annual Management Charge:	Both Class A share classes:	1.22% (current)
	Both Class B share classes:	0.42% (current)
	Both Class C share classes:	0.72% (current)
	Both Class P share classes:	0.20% (current)
	Both Class Q share classes:	0.20% (current)
	Both Class X share classes:	0.00% (current)
Interim Accounting Period(s):	1 October to 31 December 1 January to 31 March 1 April to 30 June	
Income Allocation Date(s):	30 November (annual) 28 February, 31 May, 31 August (interims)	
Additional power re government & public securities:	Not applicable	
Use of derivatives:	For EPM only (as set out at pages 59 to 61)	
Historic performance:	Detailed in Appendix F	
Profile of typical investor:	The Fund is marketable towards retail and institutional investors who should have regard to both the Investment Objective and Policy of the Fund and the Risk Factors detailed in section 12 of this Prospectus. Investors are advised to consult with their professional advisers in respect of any investment decision.	
Status of Fund for UK tax purposes	The Fund is not a bond fund for UK tax purposes and therefore any income paid or allocations made will constitute a dividend distribution.	

Appendix E
Other Collective Investment Schemes

The ACD also acts as the ACD of the following authorised investment companies with variable capital:-
Scottish Widows Tracker and Specialist Investment Funds ICVC
Scottish Widows UK and Income Investment Funds ICVC
Scottish Widows Overseas Growth Investment Funds ICVC
Scottish Widows Managed Investment Funds ICVC
Scottish Widows Investment Solutions Funds ICVC
Scottish Widows Income and Growth Funds ICVC
Investment Portfolio ICVC (formerly known as the SWIP NURS ICVC)

Appendix F
Historic Performance

	1 Yr	**1 Yr**	**1 Yr**	**1 Yr**	**1 Yr**
Percentage growth	**1/10/2010– 30/09/2011**	**1/10/2011 – 30/09/2012**	**1/10/2012– 30/09/2013**	**1/10/2013 – 30/09/2014**	**1/10/2014 – 30/09/2015**
Multi-Manager European Equity Fund *					
Multi-Manager Global Real Estate Securities Fund	-6.32	21.51	10.3	4.31	6.98
Multi-Manager International Equity Fund	-4.44	15.05	19.08	8.04	6.91
Multi-Manager UK Equity Focus Fund	-6.03	17.64	17.38	4.65	11.8
Multi-Manager UK Equity Growth Fund	-5.9	17.44	20.96	7.23	14.53
Multi-Manager UK Equity Income Fund	-1.17	16.76	16.11	8.05	11.29

Source: Lipper

* This fund is in the process of being terminated and accordingly is not currently available for investment.

This table shows performance in complete 12 month periods to 30 September 2014.

If you wish to obtain current information regarding fund performance please contact 03453002244, or write to the ACD at Scottish Widows Unit Trust Managers Limited, 15 Dalkeith Road, Edinburgh, EH16 5WL.

Past performance is not a guide to future performance. The value of investments may go down as well as up.

Dilution Adjustment

For illustrative purposes, the table below shows historic information on dilution adjustments to the Share price.

Fund	**Period**	**Number of times price adjusted during period**	**Range of Adjustment**	**Number of times fund has applied OFFER adjustment**	**Number of times fund has applied BID adjustment**
Global Real Estate Fund	01 Aug 2015 to 31 Jul 2016	253 out of a possible maximum 253 times	0.11% - 0.21% (for offer adjustments) 0.06% - 0.17% (for bid adjustments)	0	3
Multi-International Equity Fund	01 Aug 2015 to 31 Jul 2016	253 out of a possible maximum 253 times	0.07% - 0.15% (for offer adjustments) 0.07% - 0.12% (for bid adjustments)	0	0
UK Equity Focus Fund	01 Aug 2015 to 31 Jul 2016	253 out of a possible maximum 253 times	0.50% - 0.66% (for offer adjustments) 0.09% - 0.19% (for bid adjustments)	0	0
UK Equity Growth Fund	01 Aug 2015 to 31 Jul 2016	110 out of a possible maximum 253 times	0.52% - 0.66% (for offer adjustments) 0.09% - 0.18% (for bid adjustments)	0	0
UK Equity Income Fund	01 Aug 2015 to 31 Jul 2016	253 out of a possible maximum 253 times	0.52% - 0.63% (for offer adjustments) 0.09% - 0.18% (for bid adjustments)	1	0

Appendix G
Directorships

DIRECTORS OF THE ACD AND MAIN BUSINESS ACTIVITIES OF THE DIRECTORS NOT CONNECTED WITH THE BUSINESS OF THE ACD:

James Masson Black

Directorships of:
Clerical Medical Investment Fund Managers Limited
HBOS Investment Fund Managers Limited
Scottish Widows Administration Services Limited
Scottish Widows Fund Management Limited
Scottish Widows Unit Trust Managers Limited

Ronald Frank Cameron Taylor

Directorships of:

Clerical Medical Financial Services Limited
Clerical Medical Investment Fund Managers Limited
Clerical Medical Managed Funds Limited
Halifax Financial Brokers Limited
Halifax Investment Services Limited
Halifax Life Limited
HBOS International Financial Services Holdings
HBOS Investment Fund Managers Limited
Legacy Renewal Company Limited
Pensions Management (S.W.F.) Limited
Scottish Widows Administration Services Limited
Scottish Widows Fund Management Limited
Scottish Widows Trustees Limited
Scottish Widows Unit Funds Limited
Scottish Widows Unit Trust Managers Limited

Gavin MacNeill Stewart

Directorships of:
Clerical Medical Investment Fund Managers Limited
HBOS Investment Fund Managers Limited
Scottish Widows Administration Services Limited
Scottish Widows Fund Management Limited
Scottish Widows' Fund and Life Assurance Society
Scottish Widows Unit Trust Managers Limited

Sean William Lowther

Directorships of:
Clerical Medical Financial Services Limited
Clerical Medical Finance plc
Clerical Medical Investment Fund Managers Limited

Clerical Medical Managed Funds Limited
General and Reversionary Investment Company
Halifax Financial Brokers Limited
Halifax Investment Services Limited
Halifax Life Limited
Halifax Financial Services (Holdings) Limited
Halifax Financial Services Limited
Halifax Equitable Limited
HBOS Investment Fund Managers Limited
HBOS International Financial Services Holdings Limited
HBOS Financial Services Limited
Legacy Renewal Company Limited
Pensions Management (S.W.F) Limited
Scottish Widows Administration Services Limited
Scottish Widows Fund Management Limited
Scottish Widows Unit Trust Managers Limited
Scottish Widows Unit Funds Limited
St Andrews Life Assurance plc
SW Funding plc
Scottish Widows Annuities Limited
Scottish Widows Services Limited
Scottish Widows Property Management Limited

Catriona Margaret Herd

Directorships of:

Clerical Medical Investment Fund Managers Limited
HBOS Investment Fund Managers Limited
Scottish Widows Fund Management Limited
Scottish Widows Unit Trust Managers Limited
Scottish Widows Administration Services Limited
Scottish Widows Pension Trustees Limited

Appendix H
Third parties appointed by the Depositary (Global Custody Network)

The Depositary has delegated those safekeeping duties set out in Article 22(5)(a) of the UCITS Directive to State Street Bank and Trust Company with registered office at Copley Place 100, Huntington Avenue, Boston, Massachusetts 02116, USA, with an office at 20 Churchill Place, Canary Wharf, London E14 5HJ, UK, whom it has appointed as its global sub-custodian.

At the date of this prospectus State Street Bank and Trust Company as global sub-custodian has appointed local sub-custodians within the State Street Global Custody Network as listed below.

MARKET	SUBCUSTODIAN
Albania	Raiffeisen Bank sh.a.
Argentina	Citibank N.A., Buenos Aires
Australia	The Hong Kong and Shanghai Banking Corporation Limited
Austria	Deutsche Bank AG
	UniCredit Bank Austria AG
Bahrain	HSBC Bank Middle East Limited (as delegate of The Hong Kong and Shanghai Banking Corporation Limited)
Bangladesh	Standard Chartered Bank
Belgium	Deutsche Bank AG, Netherlands (operating through its Amsterdam branch with support from its Brussels branch)
Benin	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
Bermuda	HSBC Bank Bermuda Limited
Federation of Bosnia and Herzegovina	UniCredit Bank d.d.
Botswana	Standard Chartered Bank Botswana Limited
Brazil	Citibank, N.A.
Bulgaria	Citibank Europe plc, Bulgaria Branch
	UniCredit Bulbank AD
Burkina Faso	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
Canada	State Street Trust Company Canada
Chile	Banco Itaú Chile S.A.
People's Republic of China	HSBC Bank (China) Company Limited (as delegate of The Hong Kong and Shanghai Banking Corporation Limited)
	China Construction Bank Corporation (for A-share market only)
	Citibank N.A. (for Shanghai – Hong Kong Stock Connect market only)
	The Hong Kong and Shanghai Banking Corporation Limited (for Shanghai – Hong Kong Stock Connect market only)

	Standard Chartered Bank (Hong Kong) Limited (for Shanghai – Hong Kong Stock Connect market)
Colombia	Cititrust Colombia S.A. Sociedad Fiduciaria
Costa Rica	Banco BCT S.A.
Croatia	Privredna Banka Zagreb d.d.
	Zagrebacka Banka d.d.
Cyprus	BNP Paribas Securities Services, S.C.A., Greece (operating through its Athens branch)
Czech Republic	Československá obchodní banka, a.s.
	UniCredit Bank Czech Republic and Slovakia, a.s.
Denmark	Nordea Bank AB (publ), Sweden (operating through its subsidiary, Nordea Bank Danmark A/S)
	Skandinaviska Enskilda Banken AB (publ), Sweden (operating through its Copenhagen branch)
Egypt	HSBC Bank Egypt S.A.E. (as delegate of The Hong Kong and Shanghai Banking Corporation Limited)
Estonia	AS SEB Pank
Finland	Nordea Bank AB (publ), Sweden (operating through its subsidiary, Nordea Bank Finland Plc.)
	Skandinaviska Enskilda Banken AB (publ), Sweden (operating through its Helsinki branch)
France	Deutsche Bank AG, Netherlands (operating through its Amsterdam branch with support from its Paris branch)
Republic of Georgia	JSC Bank of Georgia
Germany	State Street Bank GmbH
	Deutsche Bank AG
Ghana	Standard Chartered Bank Ghana Limited
Greece	BNP Paribas Securities Services, S.C.A.
Guinea-Bissau	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
Hong Kong	Standard Chartered Bank (Hong Kong) Limited
Hungary	Citibank Europe plc Magyarországi Fióktelepe
	UniCredit Bank Hungary Zrt.
Iceland	Landsbankinn hf.
India	Deutsche Bank AG
	The Hong Kong and Shanghai Banking Corporation Limited
Indonesia	Deutsche Bank AG
Ireland	State Street Bank and Trust Company, United Kingdom branch
Israel	Bank Hapoalim B.M.
Italy	Deutsche Bank S.p.A.
Ivory Coast	Standard Chartered Bank Côte d'Ivoire S.A.

Jamaica	Scotia Investments Jamaica Limited
Japan	Mizuho Bank, Limited
	The Hong Kong and Shanghai Banking Corporation Limited
Jordan	Standard Chartered Bank
Kazakhstan	JSC Citibank Kazakhstan
Kenya	Standard Chartered Bank Kenya Limited
Republic of Korea	Deutsche Bank AG
	The Hong Kong and Shanghai Banking Corporation Limited
Kuwait	HSBC Bank Middle East Limited (as delegate of The Hong Kong and Shanghai Banking Corporation Limited)
Latvia	AS SEB banka
Lebanon	HSBC Bank Middle East Limited (as delegate of The Hong Kong and Shanghai Banking Corporation Limited)
Lithuania	AB SEB bankas
Malawi	Standard Bank Limited
Malaysia	Deutsche Bank (Malaysia) Berhad
	Standard Chartered Bank Malaysia Berhad
Mali	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
Mauritius	The Hong Kong and Shanghai Banking Corporation Limited
Mexico	Banco Nacional de México, S.A.
Morocco	Citibank Maghreb
Namibia	Standard Bank Namibia Limited
Netherlands	Deutsche Bank AG
New Zealand	The Hong Kong and Shanghai Banking Corporation Limited
Niger	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
Nigeria	Stanbic IBTC Bank Plc.
Norway	Nordea Bank AB (publ), Sweden (operating through its subsidiary, Nordea Bank Norge ASA)
	Skandinaviska Enskilda Banken AB (publ), Sweden (operating through its Oslo branch)
Oman	HSBC Bank Oman S.A.O.G. (as delegate of The Hong Kong and Shanghai Banking Corporation Limited)
Pakistan	Deutsche Bank AG
Panama	Citibank, N.A.
Peru	Citibank del Perú, S.A.
Philippines	Deutsche Bank AG
Poland	Bank Handlowy w Warszawie S.A.
	Bank Polska Kasa Opieki S.A

Portugal	Deutsche Bank AG, Netherlands (operating through its Amsterdam branch with support from its Lisbon branch)
Puerto Rico	Citibank N.A.
Qatar	HSBC Bank Middle East Limited (as delegate of The Hong Kong and Shanghai Banking Corporation Limited)
Romania	Citibank Europe plc, Dublin – Romania Branch
Russia	AO Citibank
Saudi Arabia	HSBC Saudi Arabia Limited (as delegate of The Hong Kong and Shanghai Banking Corporation Limited)
Senegal	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
Serbia	UniCredit Bank Serbia JSC
Singapore	Citibank N.A.
	United Overseas Bank Limited
Slovak Republic	UniCredit Bank Czech Republic and Slovakia, a.s.
Slovenia	UniCredit Banka Slovenija d.d.
South Africa	FirstRand Bank Limited
	Standard Bank of South Africa Limited
Spain	Deutsche Bank S.A.E.
Sri Lanka	The Hong Kong and Shanghai Banking Corporation Limited
Republic of Srpska	UniCredit Bank d.d.
Swaziland	Standard Bank Swaziland Limited
Sweden	Nordea Bank AB (publ)
	Skandinaviska Enskilda Banken AB (publ)
Switzerland	Credit Suisse AG
	UBS Switzerland AG
Taiwan - R.O.C.	Deutsche Bank AG
	Standard Chartered Bank (Taiwan) Limited
Tanzania	Standard Chartered Bank (Tanzania) Limited
Thailand	Standard Chartered Bank (Thai) Public Company Limited
Togo	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
Tunisia	Union Internationale de Banques
Turkey	Citibank, A.Ş.
	Deutsche Bank A.Ş.
Uganda	Standard Chartered Bank Uganda Limited
Ukraine	PJSC Citibank

United Arab Emirates **Dubai Financial Market**	HSBC Bank Middle East Limited (as delegate of The Hong Kong and Shanghai Banking Corporation Limited)
United Arab Emirates **Dubai International** **Financial Center**	HSBC Bank Middle East Limited (as delegate of The Hong Kong and Shanghai Banking Corporation Limited)
United Arab Emirates **Abu Dhabi**	HSBC Bank Middle East Limited (as delegate of The Hong Kong and Shanghai Banking Corporation Limited)
United Kingdom	State Street Bank and Trust Company, United Kingdom branch
Uruguay	Banco Itaú Uruguay S.A.
Venezuela	Citibank, N.A.
Vietnam	HSBC Bank (Vietnam) Limited (as delegate of The Hong Kong and Shanghai Banking Corporation Limited)
Zambia	Standard Chartered Bank Zambia Plc.
Zimbabwe	Stanbic Bank Zimbabwe Limited (as delegate of Standard Bank of South Africa Limited)