Investment Portfolio ICVC

Prospectus 29 September 2017

Prospectus of
Investment Portfolio ICVC

(an investment company with variable capital incorporated with limited liability and registered by the Financial Conduct Authority under registered number IC000690. FCA Product Reference ("PRN"): 483990)

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 Investment Portfolio ICVC ("the Company") and has been prepared in accordance with the rules contained in the Collective Investment Schemes sourcebook ("COLL") and the Investment Funds sourcebook ("FUND") ("the FCA Rules").

The authorised corporate director ("the ACD") and alternative investment fund manager ("AIFM") of the Company, Scottish Widows Unit Trust Managers Limited (hereafter referred to as 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 Simplified Prospectus 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. 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. 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. Potential investors should inform themselves as to the legal requirements of applying for Shares and any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence or domicile.

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 Sub-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.

The Foreign Account Tax Compliance provisions of the Hiring Incentives to Restore Employment Act ("FATCA") generally impose a U.S. federal reporting and withholding tax regime with respect to certain U.S. source income (including, among other types of income, dividends and interest) and gross proceeds from the sale or other disposal of property. The rules are designed to require certain

U.S. persons' direct and indirect ownership of certain non-U.S. accounts and non-U.S. entities to be reported to the U.S. Internal Revenue Service (the "IRS"). 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.

The U.K. has entered into an inter-governmental agreement 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.

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.

Shares in the Asset Allocator Fund, the IPS Growth Portfolio, the IPS Income Portfolio and the IPS Higher Income Portfolio are not intended to be held as a single investment. These Funds have been designed to be held as part of a portfolio of investments through which investors can achieve a tactical investment strategy. These are therefore not suitable to be held as a stand-alone investment. Please refer to page 44 of the Risk Factors for further explanation regarding the Specific Risks in relation to the Asset Allocator Fund.

This Prospectus is dated, and is valid as at, 29 September 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.

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Directory

The Company and Head Office	**Investment Portfolio ICVC** 15 Dalkeith Road Edinburgh EH16 5WL
Authorised Corporate Director and Alternative Investment Fund Manager	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 **Correspondence Address:** 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 and AIFM of the Company, being Scottish Widows Unit Trust Managers Limited;
"ACD Agreement"	the Agreement dated 29 August 2008, as amended and novated by an agreement between SWIP Fund Management Limited, the ACD and the Company by which the ACD was appointed by the Company to act as ACD and AIFM with effect from 1 November 2014;
"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;
"AIFM"	an alternative investment fund manager as defined in the AIFM Regulations;
"AIFMD"	Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers, including any subordinate regulations or guidance published thereunder;
"AIFM Regulations"	the Alternative Investment Fund Managers Regulations 2013;
"CASS "	the rules contained in the Client Assets sourcebook 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;
"Class"	a class of Share relating to a Sub-fund;
"COLL "	the rules contained in the Collective Investment Schemes sourcebook 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;
"COBS"	The Conduct of Business sourcebook published by the FCA as part of their Handbook of rules made under the Act;
"Company"	Investment Portfolio ICVC;
"Conversion"	the conversion of Shares in one Class in a Sub-fund to Shares of another Class in the same Sub-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;
"Depositary Agreement"	a written contract entered into by the ACD and the Depositary to appoint the Depositary on behalf of the Company and to reflect the requirements of Article 83 of the Level 2 Regulation;
"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;
"efficient portfolio management"	techniques and instruments which relate to transferable securities and approved money-market instruments and which fulfil the following criteria: (a) they are economically appropriate in that they are realised in a cost effective way; (b) they are entered into for one or more of the following specific aims: (i) reduction of risk; (ii) reduction of cost; (iii) generation of additional capital or income for a Sub-fund with a risk level which is consistent with the risk profile of the Sub-fund and the risk diversification rules laid down in COLL.
"FCA"	the Financial Conduct Authority or any successor body or bodies as regulatory authority;
"FCA Rules"	The applicable rules forming part of the FCA's handbook of rules made under the Act (as amended and/or re-issued from time to time), which shall, for the avoidance of doubt, not include guidance or evidential provisions;
"FUND"	The Investment Funds sourcebook published by the FCA as part of their handbook of rules made under the Act (as amended and/or re-issued from time to time), which shall, for the avoidance of doubt, not include guidance or evidential provisions in the said Sourcebook;
"holding company"	the meaning ascribed thereto in the Companies Act 2006;
"ICVC"	investment company with variable capital;
"Instrument of Incorporation"	the Instrument of Incorporation of the Company;
"Investment Adviser"	Aberdeen Investment Solutions Limited, the investment adviser appointed by the ACD;
"IPS"	Investment Portfolio Service;
"Level 2 Regulation"	European Commission Delegated Regulation (EU) No. 231/2013 of 19 December 2012 supplementing AIFMD;
"Net Asset Value"	the value of the Scheme Property of the Company (or of any Sub-fund or Class of Shares as the context requires) less the liabilities of the Company (or of the Sub-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);

"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;

“Regulations” AIFMD, AIFM Regulations, Level 2 Regulation, FCA Rules and the OEIC Regulations (as applicable and as the context may require);

"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 Sub-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);

"Sub Adviser" Investment Adviser or any sub-adviser appointed by it from time to time.

“Sub-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;

"Switch" The exchange of Shares in one Fund for Shares relating to another Sub-fund.

“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 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;

(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 point, 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 for the purpose of determining the prices at which Shares of a Class may be issued, cancelled, sold or redeemed.

1. The Company and its Structure

Investment Portfolio ICVC is an investment company with variable capital incorporated in Great Britain, and having its head office in Scotland, under registered number IC000690 and authorised and regulated by the Financial Conduct Authority ('FCA') with effect from 7 August 2008. The Company is also an alternative investment fund for the purposes of the FCA Rules.

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 "non-UCITS retail 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 Sub-funds. The assets of each Sub-fund will generally be treated as separate from those of every other Sub-fund and will be invested in accordance with the investment objective and investment policy applicable to that Sub-fund. New Sub-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 Sub-fund is introduced, a new Prospectus will be prepared to set out the required information in relation to that Sub-fund.

The Sub-funds which have been established at the date of this Prospectus are:-

- Asset Allocator Fund
- IPS Growth Portfolio
- IPS Income Portfolio
- IPS Higher Income Portfolio
- Managed Growth Fund 2
- Managed Growth Fund 4
- Managed Growth Fund 6

The Sub-funds would, if they were separate investment companies with variable capital, be non-UCITS retail schemes.

Shares in the Asset Allocator Fund, the IPS Growth Portfolio, the IPS Income Portfolio, and the IPS Higher Income Portfolio are not intended to be held as a single investment. These Funds have been designed to be held as part of any existing portfolio of investments through which investors can achieve a tactical investment strategy. These are therefore not suitable to be held as a stand-alone investment. Please refer to page 44 (Risk Factors) for further explanation regarding the Specific Risks in relation to the Asset Allocator Fund.

Each Sub-fund represents a segregated portfolio of assets and accordingly the assets of a Sub-fund belong exclusively to that Sub-fund and shall not be used or made available to discharge (directly or indirectly) the liabilities of, or claimed against, any other person or body including any other Sub-fund and shall not be available for any such purpose.

Each Sub-fund will be charged with the liabilities, expenses, costs and charges of the Company attributable to that Sub-fund. Within the Sub-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 Sub-fund or to a particular Sub-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 Sub-fund or all Sub-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 Sub-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 Sub-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 and Alternative Investment Fund Manager

The authorised corporate director and alternative investment fund manager ("**AIFM**") of the Company is Scottish Widows Unit Trust Managers Limited (hereinafter referred to as the "**ACD**"), 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 England & Wales. The ACD, as AIFM of the Company, is responsible for the portfolio management and risk management in relation to the Company. The ACD must act honestly, fairly, professionally, independently and in the interest of the Company and its Shareholders in carrying out this role.

The registered office and head office of the ACD is Charlton Place, Andover, Hampshire, SP10 1RE and the correspondence address is
15 Dalkeith Road, Edinburgh EH16 5WL. The issued share capital of the ACD is 50,000 ordinary shares of £1 each, all of which are fully paid up. Its principal business activity is acting as Manager to authorised unit trusts and as ACD 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 (including portfolio management and risk management) in compliance with the Regulations.

The ACD maintains an appropriate level of "own funds" in accordance with Article 14 of the Level 2 Regulation in order to cover the professional liability risks detailed under the Level 2 Regulation, including risks such as loss of documents evidencing title to assets of the Scheme or acts, errors or omissions resulting in a breach of the law or the ACD's fiduciary duties.

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 portfolio management, risk management, administration and marketing functions in accordance with the Regulations. Notwithstanding such delegation the ACD remains responsible for any functions so delegated. At present certain functions are currently delegated as detailed below.

Subject to the OEIC Regulations, under the Instrument of Incorporation, Shareholders of the Company may by ordinary resolution remove the ACD as authorised corporate director. Such a removal cannot take effect until the FCA has approved the change of director and would be without prejudice to any claim the ACD may have for damages for breach of the ACD Agreement. Shareholders have no personal right to directly enforce any rights or obligations under the ACD Agreement.

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 and the associated income arrangements which the parties involved with stock lending or repo activities may receive (out of any gross lending income generated from a stock lending or repo 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, Canary Wharf, E14 5HJ. Its Head Office (and the address which should be used for correspondence) is 525 Ferry Road, Edinburgh EH5 2AW. Its principal business activity is acting as trustee and depositary of collective investment schemes. The Depositary is authorised and regulated by the Financial Conduct Authority ("FCA").

The Depositary is responsible for the safekeeping of all the Scheme Property of the Company and has a duty to take reasonable care to ensure that the Company is managed in accordance with the provisions of the FCA Rules and the AIFMD relating to the pricing of, and dealing in, Shares and the allocation and distribution of income of the Company and that decisions about the investment of the Scheme Property of each Fund do not infringe any of the investment restrictions set out in the FCA Rules and the AIFMD.

Terms of Appointment

The appointment of the Depositary was effected under the Depositary Agreement dated 1 November 2014.

The Depositary is required to carry out the duties specified in the FCA Rules, including:

- cash monitoring and verifying the Company's cash flows;
- safekeeping of the financial instruments registered in the Company's name;
- ensuring that the sale, issue, re-purchase, redemption, cancellation and valuation of Shares are carried out in accordance with the Instrument and applicable law, rules and regulations;
- ensuring that in transactions involving Scheme Property any consideration is remitted to the ACD on behalf of the Company within the usual time limits;
- ensuring that the Company's income is applied in accordance with the Instrument, applicable law, rules and regulations; and
- carrying out instructions from the ACD unless they conflict with the Instrument or applicable law, rules and regulations.

The appointment of the Depositary was effected under the Depositary Agreement dated 1 November 2014 (as amended from time to time) between the Company, the ACD and the Depositary. Subject to and in compliance with the Agreement, the AIFMD, the FCA Rules, the OEIC Regulations, CASS and COBS the Depositary has full power under the Depositary Agreement to delegate (and authorise its delegate to sub-delegate) all or any part of its duties as Depositary.

The Depositary Agreement may be terminated by the Company and the ACD (acting together) by giving not less than 3 months' written notice and by the Depositary by giving not less than 12 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 any negligence, fraud, wilful default or recklessness in the performance of its duties or the loss of financial instruments held in custody where the Depositary is unable to prove that the loss has arisen as a result of an external event beyond its reasonable control and (b) where recovery is made from another person. The Depositary will not be responsible for any indirect or consequential loss arising under or in connection with the Depositary Agreement.

Any changes to the liability of the Depositary will be notified to Shareholders via a message on the Company website at www.scottishwidows.co.uk/reportandaccounts.

The Depositary Agreement is governed by the laws of England and Wales and may be enforced by the ACD and the Depositary in the English courts.

The fees to which the Depositary is entitled are set out in Part 7 below in the section headed “Depositary’s Fees”.

Shareholders have no personal right to directly enforce any rights or obligations under the Depositary Agreement.

The Investment Adviser

Aberdeen Investment Solutions Limited is the Investment Adviser of the Company, providing investment management to the ACD. The registered office of the Investment Adviser is 10 Queen’s Terrace, Aberdeen AB10 1YG.Its ultimate holding company is Aberdeen Asset Management plc. and its principal business activity is investment management. The Investment Adviser is authorised and regulated by the Financial Conduct Authority ("FCA").

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 with effect from 1 November 2014 by an Investment Management Agreement 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.

The Investment Adviser has responsibility for and full discretion in making all investment decisions in relation to each Sub-fund subject to and in accordance with the investment objectives and policies of the Sub-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 Sub-funds to other parties. See below under "Delegation to Sub-Advisers" for information as to the way in which the Investment Adviser currently intends to use those powers of delegation. Please note that the Investment Adviser is under no obligation to delegate its powers. In the event that the Investment Adviser does so delegate, the Investment Adviser may terminate or vary any such delegation at any time 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 Managing Directors of the Investment Adviser and the ACD. Those fees will be paid by the ACD and will not be charged to the Company.

Shareholders have no personal right to directly enforce any rights or obligations under the Investment Management Agreement.

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

Delegation to Sub-Advisers

The Investment Adviser aims to use its powers of delegation (as referred to above) in relation to IPS Growth Portfolio, IPS Income Portfolio and IPS Higher Income Portfolio (each an "IPS Portfolio" and, together, the "IPS Portfolios").

For each of these Sub-funds, the Investment Adviser may, from time to time, delegate some or all of its duties in relation to the investment management of those Sub-funds to a number of different sub-advisers (each a "Sub-Adviser") in respect of different parts of each Sub-fund. The Investment Adviser shall, in at its sole discretion, decide the proportion of a Sub-fund which is to be managed at any one time by a Sub-Adviser.

The Investment Adviser is permitted at any time to vary the amount of any such Sub-fund's assets the management of which is from time to time delegated to one or more Sub-Advisers. In addition, the Investment Adviser may at any time terminate the appointment of any Sub-Adviser and appoint additional or alternative Sub-Advisers.

The fees of each Sub-Adviser will be borne by the relevant Sub-fund.

Any Sub-Adviser appointed by the Investment Adviser will either be (i) authorised and regulated by the Financial Conduct Authority (the ("FCA")) or (ii) authorised or registered in another country for the purpose of asset management and be subject to prudential supervision in its home state by an equivalent overseas regulator. The Investment Adviser will ensure any appointment of a Sub-Adviser is made in accordance with the FCA Rules.

In appointing any Sub-Advisers to a Sub-fund, the Investment Adviser is looking for a blend of style in investment management techniques, aiming to maximize investment returns and achieve an appropriate level of diversification. The Investment Adviser aims to identify and appoint Sub-Advisers across a number of different investment approaches and styles in order to deliver the returns sought. Any Sub-Adviser appointed by the Investment Adviser is subject to a rigorous selection process and is selected for its own clearly defined investment style, track record and its ability to complement the styles of either the Investment Adviser or any other Sub-Advisers appointed to that Sub-fund. The Investment Adviser's selection of Sub-Advisers will be subject to continuous monitoring and review by the Investment Adviser who has in place a dedicated team whose job it is to research and monitor investment managers.

Details of the Sub-Advisers in place at any one time can be obtained from the ACD.

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.

Shareholders have no personal right to directly enforce any rights or obligations under the terms appointing the Investment Adviser.

Custodian

The Depositary has delegated the function of custody of the assets of the Funds to State Street Bank & Trust Company. These arrangements prohibit either State Street Bank & Trust Company (or its delegates) as custodians from releasing documents evidencing title to such assets into the possession of a third party without the consent of the Depositary.

Auditors

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

Under the FCA Rules, the Auditors are responsible for auditing and expressing an opinion in relation to the Company's accounts on at least an annual basis (or in certain other circumstances when requested to do so by the ACD).

Shareholders have no personal right to directly enforce any rights or obligations under the terms appointing the Auditors.

Conflicts of Duty or Interest

The ACD, the Investment Adviser and other companies within the ACD's Group 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 Sub-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 Sub-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.

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.

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 and 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 on request by writing to the ACD.

3. Investment Objectives and Policies of the Sub-funds

Investment of the assets of each Sub-fund must be in accordance with the investment objective and policy of the relevant Sub-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 Sub-fund and the eligible securities and derivatives markets through which the Sub-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 Sub-fund. The ACD may make available the following Classes of Share in respect of each Sub-fund:-

Class A	Designated in Sterling	Net accumulation
Class A	Designated in Sterling	Net income
Class A	Designated in Sterling	Gross accumulation^{+}
Class A	Designated in Sterling	Gross income^{+}
Class B	Designated in Sterling	Net accumulation
Class B	Designated in Sterling	Net income
Class B	Designated in Sterling	Gross accumulation^{+}
Class B	Designated in Sterling	Gross income^{+}
Class C	Designated in Sterling	Net accumulation
Class C	Designated in Sterling	Net income
Class C	Designated in Sterling	Gross accumulation^{+}
Class C	Designated in Sterling	Gross income^{+}
Class E	Designated in Euro	Net accumulation
Class E	Designated in Euro	Net income

Class E	Designated in Euro	Gross accumulation+
Class E	Designated in Euro	Gross income+
Class J	Designated in Euro	Net accumulation
Class J	Designated in Euro	Net income
Class J	Designated in Euro	Gross accumulation+
Class J	Designated in Euro	Gross income+
Class L	Designated in Sterling	Net accumulation*
Class L	Designated in Sterling	Net income*
Class L	Designated in Sterling	Gross accumulation*+
Class L	Designated in Sterling	Gross income*+
Class P	Designated in Sterling	Net accumulation*
Class P	Designated in Sterling	Net income*
Class P	Designated in Sterling	Gross accumulation*+
Class P	Designated in Sterling	Gross income*+
Class Q	Designated in Euro	Net accumulation*
Class Q	Designated in Euro	Net income*
Class Q	Designated in Euro	Gross accumulation*+
Class Q	Designated in Euro	Gross income*+
Class Q	Designated in Sterling	Net accumulation*
Class Q	Designated in Sterling	Net income*
Class Q	Designated in Sterling	Gross accumulation*+
Class Q	Designated in Sterling	Gross income*+
Class Q	Designated in Swiss Francs	Net accumulation*
Class Q	Designated in Swiss Francs	Net income*
Class Q	Designated in Swiss Francs	Gross accumulation*+
Class Q	Designated in Swiss Francs	Gross income*+
Class Q	Designated in US Dollars	Net accumulation*
Class Q	Designated in US Dollars	Net income*
Class Q	Designated in US Dollars	Gross accumulation*+
Class Q	Designated in US Dollars	Gross income*+

Class S	Designated in US Dollars	Net accumulation
Class S	Designated in US Dollars	Net income
Class S	Designated in US Dollars	Gross accumulation+
Class S	Designated in US Dollars	Gross income+
Class X	Designated in Euro	Net accumulation*
Class X	Designated in Euro	Net income*
Class X	Designated in Euro	Gross accumulation*+
Class X	Designated in Euro	Gross income*+
Class X	Designated in Sterling	Net accumulation*
Class X	Designated in Sterling	Net income*
Class X	Designated in Sterling	Gross accumulation*+
Class X	Designated in Sterling	Gross income*+
Class X	Designated in Swiss Francs	Net accumulation*
Class X	Designated in Swiss Francs	Net income*
Class X	Designated in Swiss Francs	Gross accumulation*+
Class X	Designated in Swiss Francs	Gross income*+
Class X	Designated in US Dollars	Net accumulation*
Class X	Designated in US Dollars	Net income*
Class X	Designated in US Dollars	Gross accumulation*+
Class X	Designated in US Dollars	Gross income*+

* These classes of shares 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.

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

Appendix D contains a description of the Classes currently available in respect of the Sub-funds as at 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 Sub-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 Sub-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 Sub-funds.

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

Holders of income Shares of a Sub-fund are entitled to be paid the income of that Sub-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 Sub-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 Sub-fund or to Switch all or part of their Shares in relation to one Sub-fund for Shares in relation to a different Sub-fund. Details of these Conversion and Switching facilities 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 Sub-fund will be calculated on each Dealing Day based on the Sub-fund's Valuation Point. For all Sub-funds, the Valuation Point is 12 noon (UK).

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 Sub-fund at the normal Valuation Point, the prices will be based on the next available valuation thereafter.

Each Sub-fund is 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. See the “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.

Shares of each Class in relation to each Sub-fund 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 of any Class will be calculated by reference to the proportion of the Net Asset Value of the Sub-fund attributable to a Share of that Class by:-

- taking the proportion of the Net Asset Value of the relevant Sub-fund attributable to the Shares of the Class concerned at the Valuation Point of that Sub-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

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

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 Sub-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 contained 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. 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 swinging range (price adjustment) is regularly monitored. On the occasions when the price is not swung (adjusted) the Sub-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 Sub-fund to receive requests for the sale, redemption, 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 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 share class 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 the 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.

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 Sub-fund and the minimum amount of any lump sum addition to a holding in the same Class of the same Sub-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 Sub-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.

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 of each Sub-fund 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.

Market Timing

Market timing activities are disruptive to fund management, may lead to additional dealing charges which cause losses/dilution to a Sub-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 Sub-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 Sub-fund to require that the Company redeems all or (subject as mentioned below) some of his Shares of a particular Class in relation to that Sub-fund.

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 Sub-fund to which they relate. Where a redemption request is made by telephone or electronically 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 or electronic message.

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 Sub-fund with a value less than the minimum holding specified in Appendix D in respect of that Sub-fund or (2) the value of the Shares in a Sub-fund which the Shareholder wishes to redeem is less than the minimum partial redemption (if any) specified in Appendix D in respect of that Sub-fund.

Not later than the end of the business day following the later of the receipt of the written redemption request or the telephone 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).

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 the aggregate of, any redemption charge.

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.

Conversions

A holder of Shares may, subject as mentioned below, at any time convert all or some of his Shares of one Class in a Fund for another Class of Shares in the same Fund.

Conversions between Share Classes of the same Sub-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 and in some cases may not be effected until the end of the relevant accounting period. 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.

The ACD may, upon appropriate notice to affected Shareholders, effect a compulsory Conversion of Shares in one Class of a Fund for another Class of the same Fund. Such compulsory Conversion shall be conducted as described above in this section. A compulsory Conversion will only be undertaken where the ACD reasonably considers it is in the best interests of affected Shareholders. By way of example, the ACD may effect a compulsory Conversion where the ACD reasonably believes it is in the best interests of Shareholders to reduce the number of available Classes.

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.

Conversion Fee

There is no fee on Conversions.

Switches

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

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 Sub-fund to which the Original Shares relate and (3) the Class of the New Shares and the Sub-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. The ACD may in the future introduce the facility to request a Switch on-line.

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 Sub-funds that have different Valuation Points, the cancellation or redemption of the Original Shares shall take place at the next Valuation Point of the Sub-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 Sub-fund to which the New Shares relate. Shareholders should note that where a switch takes place between Sub-funds which have different Valuation Points, their money will not be invested between the time their Shares in one Sub-fund are redeemed and the time at which New Shares are purchased. Shareholders may suffer a loss if the markets move during this period.

A Switch of Shares in one Sub-fund for Shares in another Sub-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 Sub-fund for Shares in another Sub-fund will not, in any circumstances, be given a right by law to withdraw from or cancel the transaction.

Switching Fee

On the Switching of Shares for Shares relating to another Sub-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 Sub-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 Sub-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.

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 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 Sub-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 judgement 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 COLL 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 Sub-fund in exchange for assets the holding of which would be inconsistent with the investment objective of that Sub-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 Sub-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 Sub-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 Sub-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 Sub-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 Sub-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 account will be held in accordance with the CASS Rules. The purpose of utilising client money 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 Sub-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. In the event of a suspension of dealings the ACD, or the Depositary in certain circumstances, will immediately inform the FCA of the suspension of dealings and the reasons for it. As soon as practicable after a suspension of dealings occurs the ACD shall ensure that a notification of the suspension of dealings is made to shareholders.

During a suspension the obligations relating to the issue, sale, cancellation and redemption of Shares contained in Chapter 6 of the COLL will cease to apply and the ACD must comply with as many of the obligations relating to valuation of assets as are practicable in the light of the suspension. During any period of suspension the ACD may agree during the suspension to deal in shares in which case all deals accepted during, and outstanding prior to, the suspension will be undertaken at a price calculated by reference to the first valuation point after the restart of dealings in shares.

In accordance with Chapter 7 of the COLL, 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.

Electronic Communications

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

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 fees, costs and expenses relating to the authorisation, incorporation and establishment of the Company, the preparation and printing of the first Prospectus and the fees of the professional advisers to the Company in connection therewith will be borne by the ACD or by another company in the ACD's Group and not by the Sub-funds initially available. Each Sub-fund formed after the date of authorisation of the Company may bear its own direct authorisation and establishment costs.

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 Sub-funds:-

(a) the fees and expenses payable to the ACD and to the Depositary (as set out below);

(a)(i) in respect of the IPS Portfolios, the fees and expenses payable to the Investment Adviser from time to time (as set out below);

(a)(ii) in respect of the IPS Portfolios, the fees and expenses payable to each of the Sub-Advisers appointed to these Sub-funds from time to time (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) expenses incurred in acquiring and disposing of investments;

(d) expenses incurred in distributing income to Shareholders;

(e) fees in respect of the publication and circulation of details of the Net Asset Value of each Sub-fund and each Class of Shares of each Sub-fund;

(f) 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 fees and expenses in relation to collateral management services;

(h) the costs of convening and holding meetings of Shareholders (including meetings of Shareholders in any particular Sub-fund or in any particular Class within a Sub-fund);

(i) the costs of printing and distributing reports, accounts and any Prospectus (which for the avoidance of doubt does not include any costs relating to the distribution of the simplified prospectus);

(j) the costs of publishing prices and other information which the ACD is required by law to publish and any other administrative expenses;

(k) the costs incurred for the use of stock exchange index names and any other licensing agreements;

(l) taxes and duties payable by the Company;

(m) interest on and charges incurred in relation to borrowings;

(n) 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");

(o) 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;

(p) fees and expenses in connection with the listing of Shares on any stock exchange;

(q) any costs incurred in modifying the Instrument of Incorporation or the Prospectus (including periodic updates of the Prospectus);

(r) 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;

(s) 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;

(t) 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;

(u) any costs incurred in forming a Sub-fund or a Class of Shares;

(v) any costs and expenses incurred in registering, having recognised or going through any other process in relation to the Company or any Sub-fund in any territory or country outside the United Kingdom for the purposes of marketing Shares of the Company or any Sub-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);

(w) any costs and expenses incurred in relation to the winding up of a Sub-fund or the Company; and

(x) 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 Sub-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 Sub-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 Section 7 which are payable out of the Sub-funds' property may be paid out of the capital property of the relevant Sub-fund and 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.

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 Sub-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

Sub-fund at monthly intervals. The annual management charge is calculated separately in respect of each Class of Shares in relation to a Sub-fund as a percentage rate per annum of the proportion attributable to that Class of the Net Asset Value of that Sub-fund. It is calculated on a daily basis by reference to that proportion of the Net Asset Value of that Sub-fund at the first or only valuation point on the previous Dealing Day in respect of that Sub-fund or if there is no valuation point on such previous Dealing Day, the Net Asset Value of that Sub-fund at the beginning of such previous Dealing Day (but, in respect of the first day on which there is property in that Sub-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 Sub-fund is set out in Appendix D. Any value added tax on the annual management charge will be added to that charge.

The ACD and the Depositary have agreed that in respect of each Sub-fund all or part of the annual management charge may be treated as a capital charge, although as at the date of this Prospectus all of the annual management charge in respect of Asset Allocator Sub-fund, the IPS Portfolios, Managed Growth Sub-fund 2, Managed Growth Sub-fund 4 and Managed Growth Sub-fund 6 is charged to the income property of that Sub-fund.

Treating the annual management charge as a capital charge may erode the capital or may constrain future capital growth.

On a winding up of the Company or a Sub-fund or on the redemption of a Class of Shares of a Sub-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 COLL Rules.

Where a Sub-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.

Depositary's Fee

The Depositary is entitled to receive out of the property of each Sub-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 Sub-fund shall be agreed between the ACD and the Depositary from time to time in accordance with the FCA Rules (and may be subject to a fixed minimum amount per annum). The current rate charged in respect of each Sub-fund will not exceed 0.01% per annum of the Net Asset Value of the relevant Sub-fund calculated on each Dealing Day. Value Added Tax on the amount of the periodic charge will be paid out of each Sub-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 Sub-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 FCA 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 charges currently range 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 £2.61 to £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.

(vi) 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 (the "Investment Adviser Fee").

In addition to the Investment Adviser Fee and in respect of the IPS Portfolios only, the Investment Adviser may also, from time to time, receive a payment out of the scheme property of the relevant IPS Portfolio for directly managing discreet portions of the relevant Sub-fund. The level of the fee which the ACD may from time to time agree with the Investment Adviser in these circumstances will be variable depending on the asset class which the Investment Adviser is managing. The maximum level of the fee will be 0.50% plus VAT (if any) of the net asset value of the proportion of the relevant Sub-fund being managed by the Investment Adviser and will be calculated, accrued and paid on the same basis as the ACD's annual management charge.

Sub-Adviser's Fee

Each Sub-Adviser that may be appointed from time to time in respect of an IPS Portfolio will be paid an annual management fee of 1.00% (plus VAT (if any)) (the "Base Fee") of the net asset value of the proportion of the relevant Sub-fund which is managed by that Sub-Adviser (the "Segregated Account"). The fees of each Sub-Adviser appointed to the IPS Portfolios from time to time will be borne by the relevant IPS Portfolio and will be calculated, accrued and paid on the same basis as the ACD's annual management charge.

In addition to the Base Fee, the Investment Adviser may agree from time to time that a Sub-Adviser may also be paid a performance fee, which fee would be paid out of the scheme property of the relevant Sub-fund and introduced in accordance with the FCA Rules.

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 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. In relation to Asset Allocator Fund Q share class, IPS Portfolio Q share class, IPS Income Portfolio Q share class, IPS Higher Income Portfolio Q share class, Managed Growth Fund 2, Managed Growth Fund 4 and Managed Growth Fund 6, no registration charge is currently deducted but is borne by the ACD.

Administrator’s Fee

In respect of the services it provides as Administrator, a fee will be paid to the Administrator by the ACD out of its annual management fee.

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 2014 –2015 the fee for each Fund is expected to be £7,985 + VAT (3 UK equity funds), £9,252 plus VAT (International equity) and £14,732 plus VAT (Global equity).

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 and Repo Income

The ACD may engage State Street Bank & Trust Company (SSBTC), who is a related party to the Depositary, to carry out stock lending and repo activity and services on behalf of the Funds. Under these circumstances, a fee may be payable by the relevant Fund for stock lending or repos.

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

No Sub-fund currently enters into stock lending or repo transactions.

8**.** **Accounting and Income**

Accounting Periods

The annual accounting period of the Company will end on 31 October ("the accounting reference date") in each year. The half-yearly accounting period will end on 30 April in each year.

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.

The annual report of the Company will also include certain disclosures of information, such as the current risk profile, any changes to the maximum level of leverage and any new arrangements for managing liquidity in relation to the Company, which the ACD is required to provide to holders on a periodic basis under FUND 3.2.5 R and 3.2.6 R.

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 Sub-fund are given in Appendix D. Allocations of income for each Sub-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 Sub-fund in any accounting period will be calculated in accordance with the COLL Rules by taking the aggregate of the income received or receivable for the account of the relevant Sub-fund in respect of that period and deducting the charges and expenses of the relevant Sub-fund paid or payable out of income in respect of that accounting period. The ACD 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 Sub-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 Sub-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 Sub-fund. Thereafter neither the shareholder nor his successor will have any right to it except as part of the capital property of the Sub-fund.

Income Equalisation

Income equalisation is currently distributed in relation to each Sub-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 Sub-fund, in which case, it shall instead be accumulated as part of the capital property of the Sub-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, however, a £5000 exemption on dividend income will be provided. Any income in excess of this will be subject to an additional rate depending on whether the individual shareholder is basic, higher or an additional rate tax payer. Individual shareholders in this position should consult their own professional tax advisors or local tax office for current rates applicable.

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

[*] 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.

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.

Income – interest distributions

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.

The UK Government has also announced its intention to legislate such that, on and from 6 April 2017, bond funds will no longer be required to withhold basic rate tax on interest distributions (which, prior to that date, would be 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:

Investment Portfolio ICVC

Fund Name	**Interest/Dividend Distribution**
Asset Allocator Fund	Dividend
IPS Growth Portfolio	Dividend
IPS Higher Income Portfolio	Interest
IPS Income Portfolio	Interest
Managed Growth Fund 2	Interest
Managed Growth Fund 4	Dividend
Managed Growth Fund 6	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

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 require the Company to obtain mandatory evidence as to the tax residency(s) of any individual, or in the case of non-individuals, their ITC classification. The Company is also required to identify any existing Shareholder as a relevant taxpayer or in the case of non-individuals to identify 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 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 Sub-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 Sub-fund as they apply to general meetings of Shareholders but by reference to Shares of the Class or relating to the relevant Sub-fund and the holders and prices of such Shares.

Variation of Class Rights

The rights attached to a Class or a Sub-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 Sub-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 Sub-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 Sub-fund, which may materially prejudice a Shareholder; or alter the risk profile of the Sub-fund; or which introduces any new type of payment out of the Scheme Property of the Sub-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 Sub-fund; or which results in any increased payments out of the Sub-fund to the ACD or its associates; or which materially increases payments of any other type out of a Sub-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 Sub-fund

The Company or a Sub-fund may be wound up (or terminated, in the case of a Sub-fund) as an unregistered company under Part V of the Insolvency Act 1986 or under the FCA Rules.

The Company may be wound up or a Sub-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 Sub-fund; or

(b) if the period (if any) fixed for the duration of the Company or a particular Sub-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 or a Sub-fund is to be wound up or a particular Sub-fund is to be terminated– an example of such an event in relation to any Sub-fund is the ACD deciding in its absolute discretion to terminate that Sub-fund if at, or at any time after, the first anniversary of the date of the first issue of Shares relating to that Sub-fund the Net Asset Value of that Sub-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 Sub-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 Sub-fund.

Where the Company or a Sub-fund is to be wound up or a Sub-fund is to be terminated under the FCA Rules, notice of the proposals for winding up the Company or termination the relevant Sub-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, business and property of the Company, or, in the case of termination of a Sub-fund, the Sub-fund's affairs, business and property) which either confirms that the Company or the Sub-fund 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 FCA 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 (which relate to the pricing of and dealing in Shares and to investment and borrowing powers respectively) will cease to apply to the Company or the relevant Sub-fund;

(b) the Company will cease to issue and cancel Shares of all Classes or (where a particular Sub-fund is to be wound up) Shares of all Classes relating to that Sub-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 Sub-fund is to be wound up) a Share in that Sub-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 Sub-fund falls to be terminated, realise the assets of the Company or (as the case may be) the relevant Sub-fund and, after paying out or retaining adequate provision for all liabilities properly payable and retaining provision for the costs of winding up or 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 Sub-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 or termination of the Sub-fund, the Depositary must notify the FCA of that fact.

Following the completion of either a winding up of the Company or the termination of a Sub-fund, the ACD must prepare either a "final account" (for winding up of the Company) or a "termination account" (for termination of a Sub-fund) 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" or "termination account" and will state their opinion as to whether that account has been properly prepared. This "final account" or "termination account" (as the case may be) and the auditors' report must be sent to the FCA and to each Shareholder within four months of the termination or 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 Sub-funds. In assessing the risk profile of each Sub-fund, the following factors should be taken into account where relevant.

General

The investments of the Company 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 Sub-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 Sub-funds, the Investment Adviser may combine orders for the Sub-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 Sub-funds and on others to the advantage of the Sub-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.

Market Timing

A Sub-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 Sub-fund’s valuation. Such market timing activities are disruptive to fund management, may lead to additional dealing charges which cause losses/dilution to a Sub-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 Sub-fund will not achieve its performance objectives or not produce returns that compare favourably against its peers. The performance of a Sub-fund will depend significantly upon the ability of the relevant investment adviser (including any Sub-Adviser appointed to a Sub-fund from time to time) to select profitable investments and, to the extent a Sub-fund is invested in collective investment schemes, the ability of investment managers of such schemes to do likewise. In addition, in relation to the IPS Portfolios only, the performance of these Sub-funds may also depend upon the ability of the Investment Adviser's team to select Sub-Advisers appropriate for that portfolio.

Equities

Sub-funds investing in equities, or in collective investment schemes which invest in equities, tend to be more volatile than Sub-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 Sub-fund may invest up to and including 20% of the Scheme Property of a Sub-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 Sub-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 Sub-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 Sub-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.

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 Sub-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 Sub-fund's assets or the underlying assets of the collective investment schemes in which a Sub-fund invests may be denominated in a currency other than the base currency of a Sub-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 Sub-fund are valued and priced. Sub-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 Sub-fund does not hedge its foreign currency risk or such hedging is incomplete or unsuccessful, the value of that Sub-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 Sub-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 Sub-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 Sub-funds and, as a result, limit investment opportunities for such Sub-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 Sub-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 Sub-funds is likely, therefore, to involve greater risk than investment in larger companies. Investors should consider whether or not investment in such Sub-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 COLL Rules, be charged against capital instead of income. This may constrain capital growth.

Government and Public Securities issued by one issuer

Where a Sub-fund has power to invest more than 35% in value of the Sub-fund in transferable securities or approved money market instruments issued by any one issuer who is a: (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 Sub-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 Sub-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 Sub-funds

Under the OEIC Regulations, each Sub-fund is a segregated portfolio of assets and those assets can only be used to meet the liabilities of, or claims against, that Sub-fund. While the provisions of the OEIC Regulations provide for segregated liability between Sub-funds, the concept of segregated liability is, in the context of UK authorised collective investment schemes, 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 Sub-fund will always be completely insulated from the liabilities of another Sub-fund of the Company in every circumstance.

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

Unregulated Sub-funds

The Company may invest in, or have exposure to, underlying funds or managers that are unregulated. Such investments may involve greater risks than investment in funds whose managers are regulated.

Restriction on a Sub-fund's activities due to embargo etc.

From time to time, a Sub-fund’s activities, or the activities of 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 Sub-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 Sub-fund's investments.

Political Risks

The value of the Sub-funds' assets and those of collective investments schemes in which it may invest 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 Sub-funds invest.

Investment in Collective Investment Schemes

The Sub-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 property) has individual risks associated with them. The Sub-fund and the ACD may not have any control over the activities of any collective investment scheme or company invested in by the Sub-fund. Managers of collective investment schemes and companies in which a Sub-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 Sub-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 Sub-fund's 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 Sub-fund's valuation may not accurately reflect the most up to date valuation of the underlying collective investment scheme.

Derivative-related Risks

Derivative transactions will be used to a significant extent for the Asset Allocator Fund. Derivative transactions may also be used for the IPS Portfolios. In particular, the IPS Portfolios may use derivative transactions to achieve tactical exposure to the underlying which may result in the relevant Sub-fund having a large derivatives holding at any one time. Derivative transactions will be used for the purposes of efficient portfolio management, hedging and to meet the investment objectives of the Sub-funds. Derivatives may be Over the Counter (OTC) derivatives.

The use of derivatives has the potential to increase or decrease the Sub-fund's risk profile and could result in increased price volatility. The ACD employs a detailed risk management process to oversee and manage these derivative risks within each Sub-fund. Investors should be prepared to accept the risks that derivative-related investment can create.

The investment adviser may use one or more separate counterparties to undertake derivative transactions on behalf of the relevant Sub-funds and may be required to post collateral paid from within the assets of the Sub-fund to secure such contracts. There may be a risk that a counterparty will wholly or partially fail to honour their contractual arrangements with regards to the return of collateral and any other payments due to that Sub-fund. The investment adviser 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.

Leverage and volatility

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. The Sub-funds employ leverage that will magnify gains and losses and result in greater volatility in the value of Scheme Property as a result of market movements.[1]

Particular Risks of OTC Derivative Transactions and Efficient Portfolio Management

Absence of 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 Sub-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 Sub-fund will sustain losses. A Sub-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 Sub-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 Sub-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 Sub-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 Sub-fund's counterparty credit risk, limit its operations and could require the Sub-fund to cease investment operations or conduct a substantial portion of such operations in the futures markets. Moreover, the counterparties with which a Sub-fund expects to establish such relationships will not be obligated to maintain the credit lines extended to the Sub-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 Sub-fund effects transactions might cease making markets or quoting prices in certain of the instruments. In such instances, the Sub-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

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; 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.

Collateral and Efficient Portfolio Management

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 and 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.

Specific Risks in relation to Asset Allocator Fund

In relation to the Asset Allocator Fund, the investment adviser may establish long and short positions in individual stocks and markets. Typically, UK open-ended investment companies (OEICs) invest on a long-only basis. This means that they will rise (or fall) in value based on the market value of assets they hold. As a result of establishing long and short positions, the Sub-fund may hold assets that may rise or fall with market values as well as holding positions that will rise as the market falls and fall as the markets rise. Shares in the Asset Allocator Sub-fund are not intended to be held as a single investment. The Sub-fund has been designed to be held as part of any existing portfolio of investments through which investors can achieve a tactical investment strategy. **It is not suitable to be held as a stand-alone investment**.

13. General Information

Documents Available for Inspection

Copies of the following documents may be inspected free of charge between 9.00am and 5.00pm (UK) 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) and this Prospectus;

(b) the ACD Agreement; and

(c) following their issue, the most recent annual and half-yearly long reports 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 those documents noted at (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;

(b) the Depositary Agreement regulating the relationship between the Company, the ACD and the Depositary; and

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

Collateral Management policy

The ACD has a collateral management policy which 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 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 liquidity 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.

Liquidity Management Policy

In accordance with the FCA Rules, the ACD has in place a liquidity management policy to monitor and ensure that each Sub-fund has sufficient liquidity taking into account its investment objective, liquidity profile and the redemption rights of Shareholders. The policy requires the ACD to ensure that appropriate levels of liquidity are held within each Sub-fund on a day-to-day basis with any unusual trends or areas of high risk being escalated for further investigation. On an annual basis the ACD undertakes a detailed review of the policy with an assessment being presented to the ACD's board of directors. For more information on the redemption rights of Shareholders please refer to the section under the heading "Sale, Redemption, Conversion and Switching of Shares" on page 17.

Order Execution Policy

The ACD is responsible for the portfolio management of the scheme property and, as such, is subject to the FCA Rules. These require all managers to meet the requirements relating to best execution when carrying out portfolio management activity for the funds which it manages.

In view of this, the ACD is 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. A copy of the ACD's order execution policy will be provided free of charge on the request of any holder in the Company.

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 Company are to be exercised. A copy of the ACD's voting rights strategy will be provided free of charge on the request of any holder in the Company. Details of the actions which the ACD has taken on the basis of its voting rights strategy are also available upon request.

Jurisdiction, Recognition and Enforcement of Judgments

Dealings in Shares of the Company is governed by the law of England.

Council Regulation (EC) No 44/2001 of 22 December 2000 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (the "Brussels Regulation") sets out a system for the allocation of jurisdiction and for the reciprocal enforcement of judgments between Member States of the European Union. Subject to the Brussels Regulation and the circumstances of a particular claim, Shareholders residing outside of the UK may be able to bring a claim before their local court and have that judgment enforced in the UK.

Treating Customers Fairly

The ACD, as a firm that is authorised and regulated by the FCA, is required to pay due regard to the interests of its customers and treat them fairly. Breaching this principle would make the ACD liable to disciplinary sanctions by the FCA.

The ACD may, from time to time, give preferential treatment to a particular Shareholder or class of Shareholders such as the right to obtain more detailed information on the performance of a Sub-fund than is ordinarily made available to Shareholders. The ACD does not give preferential treatment or the right to obtain preferential treatment to any Shareholder that creates an overall material disadvantage to other Shareholders.

Complaints

Complaints concerning the operation or marketing of the Company or any Sub-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

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.

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 Sub-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 Sub-fund at share class level, and a process setting out the circumstances in which those limits may be exceeded.

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 Sub-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 Sub-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.

A list of those other eligible securities markets and eligible derivatives markets for each Sub-fund is set out below. A securities or derivatives market may be added to any of those lists in accordance with the FCA Rules.

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

Other Eligible Securities Markets for all Sub-funds

Country	**Market**
Australia	Australian Securities Exchange
Bermuda	Bermuda Stock Exchange
Brazil	BM&F Bovespa
Canada	Toronto Stock Exchange
Chile	Santiago Stock Exchange
China	Shanghai Stock Exchange
	Shenzhen Stock Exchange
Colombia	Bolsa Colombia
Egypt	Egyptian Stock Exchange
Europe	Euronext
Hong Kong	Hong Kong Exchange and Clearing Limited
Hungary	Budapest Stock Exchange
India	Bombay Stock Exchange
	Calcutta Stock Exchange
	The National Stock Exchange of India
Indonesia	Indonesia Stock Exchange
Israel	Tel Aviv Stock Exchange
Japan	Fukuoka Stock Exchange
	Nagoya Stock Exchange
	Osaka Securities Exchange
	Sapporo Securities Exchange
	Tokyo Stock Exchange
Korea	Korea Stock Exchange
	KOSDAQ
Malaysia	Bursa Malaysia
Mexico	Bolsa Mexicana de Valores
New Zealand	New Zealand Stock Exchange
Pakistan	Karachi Stock Exchange
Peru	Lima Stock Exchange
Philippines	Philippine Stock Exchange
Russia	Moscow Stock Exchange

Country	Market
	RTS Stock Exchange
Singapore	Singapore Exchange (SGX)
South Africa	Johannesburg Stock Exchange
Sri Lanka	Colombo Stock Exchange
Switzerland	SIX Swiss Exchange
Taiwan	Gre Tai Securities Market
	Taiwan Stock Exchange
Thailand	Stock Exchange of Thailand
Turkey	Istanbul Stock Exchange
United Kingdom	Alternative Investment Market (AIM)
United States	Boston Stock Exchange
	National Stock Exchange
	New York Stock Exchange
	NASDAQ
	Pacific Exchange
	NASDAQ OMX PLX
	US Over the Counter Corporate Bond Market (TRACE)

Other Eligible Derivatives Markets for all Sub-funds

Country	Market
Australia	ASX Limited
Austria	Austrian Futures and Options Exchange
Brazil	BM & F Bovespa
	Bovespa Sao Paulo
Canada	Montreal Exchange
Europe	Euronext
Finland	EUREX
Germany	EUREX Derivatives Exchange
Hong Kong	Hong Kong Futures Exchange
Italy	Borsa Italiana Equity Derivatives Market
Japan	Osaka Stock Exchange
	Tokyo Stock Exchange
Korea	Korea Exchange (incl Korean Futures Exchange)
New Zealand	New Zealand Stock Exchange (inc New Zealand Futures Exchange)
Singapore	Singapore Exchange (SGX)
South Africa	South African Futures Exchange (SAFEX)
Spain	MEFF Renta Fija
	MEFF Renta Variable
Sweden	NASDAQ OMX Stockholm Exchange
Switzerland	EUREX
United Kingdom	Euronext LIFFE
	ICE Futures Europe
United States	Chicago Board of Options
	CME Group (includes Chicago Board of Trade)
	CME GLOBEX
	New York Futures Exchange
	New York Stock Exchange
	NASDAQ OMX Futures Exchange
	NASDAQ OMX PHLX

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 COLL Rules to each Sub-fund as they apply to non-UCITS retail schemes.

The Scheme Property of each of the Sub-funds will be invested with the aim of achieving the investment objective of that Sub-fund but subject to the limits on investment set out in COLL 5.

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 Sub-fund's investment objectives, shares to be redeemed, efficient management of that Sub-fund in accordance with its investment objectives or other purposes which may reasonably be regarded as ancillary to the investment objectives of that Sub-fund.

The ACD's policy is to make use of the flexibility to hold cash and near cash, as it considers appropriate. **A substantial proportion of the Scheme Property of the Asset Allocator Fund may consist of cash, near cash, deposits and/or money market instruments.**

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

1. the Scheme Property of a Sub-fund must, except where otherwise provided in COLL 5, only consist of any or all of:

   (a) transferable securities;

   (b) money market instruments; permitted derivatives and forward transactions (see below);

   (c) permitted deposits (see point 18 below);

   (d) permitted collective investment scheme units (see points 15 and 16 below);

   (e) permitted immoveables (see 20 to 26 below); and

   (f) gold (see 19 below).

   Transferable securities and money market instruments must (i) (a) be admitted to or dealt on an eligible market; or (b) be recently issued transferable securities 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; or (c) be approved money market instruments (as defined for the purposes of the FCA Rules) not admitted to or dealt in on an eligible market provided that certain requirements of the FCA Rules are satisfied; or (ii) subject to a limit of 20% of the Net Asset Value of the Scheme Property of the Sub-fund, be (a) transferable securities which are not within (i) above; or (b) money-market instruments which are liquid and have a value which can be determined accurately at any time;

   The eligible markets for each Sub-fund are listed in Appendix A. New eligible markets may be added to those lists in the manner described in that Appendix.

1A. not more than 5% of the Net Asset Value of the Scheme Property of **Asset Allocator Fund** may consist of transferable securities which are warrants. Call options are not deemed to be warrants for the purposes of this 5% restriction.

2. for the purposes of points 3 to 4 below, a single body, in relation to transferable securities and money market instruments, is the person by whom they are issued; and, in relation

to deposits, the person with whom they are placed. 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;

3. not more than 20% of the Net Asset Value of the Scheme Property of a Sub-fund may consist of deposits with a single body;

4. not more than 10% of the Net Asset Value of the Scheme Property of a Sub-fund may consist of transferable securities or money-market instruments issued by any single body except that (i) the figure of 10% may be increased to 25% in value of the Net Asset Value of the Scheme Property of a Sub-fund in respect of covered bonds; and (ii) the figure of 10% may be increased to 20% in value of the Net Asset Value of the Scheme Property of a Sub-fund in respect of shares and debentures which are issued by the same body where the aim of the investment policy is to replicate the performance or composition of an index (which index must have a sufficiently diverse composition, be a representative benchmark for the market to which it refers and be published in an appropriate manner. Where justified by exceptional market conditions and in respect of one body only, the figure of 20% may be increased to 35%. Certificates representing certain securities are treated as equivalent to the underlying security. Currently, none of t**he Sub-funds' investment policies provide for the replication of the performance or composition of an index**;

5. the exposure to any one counterparty in an over the counter (OTC) derivative transaction must not exceed 10% of the Net Asset Value of the Scheme Property of a Sub-fund;

6. for the purpose of calculating the limit in point 5:-

   (a) the exposure in respect of an OTC derivative may be reduced to the extent that collateral is held in respect of it if the collateral meets certain conditions specified in the FCA Rules; and

   (b) OTC derivative positions with the same counterparty may be netted provided that the netting procedures comply with certain conditions set out in the Banking Consolidation Directive and are based on legally binding agreements.

7. in applying the FCA Rules all derivatives transactions are deemed to be free of counterparty risk if they are performed on an exchange where the clearing house is backed by an appropriate performance guarantee and is characterised by a daily mark-to-market valuation of the derivative positions and an at least daily margining.

8. except in the case of a feeder fund, not more than 35% of the Net Asset Value of the Scheme Property of a Sub-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**. At present no Sub-fund is a feeder fund;**

9. the limitations referred to in points 2 to 8 above do not apply to 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 ("such Securities");

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

11. more than 35% of the Net Asset Value of the Scheme Property of a Sub-fund can be invested in such Securities issued by any one body listed in point 9 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 Sub-fund; (b) no more than 30% of the Net Asset Value of the Scheme Property of that Sub-fund consists of such Securities of any one issue; (c) the Scheme Property of that Sub-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 prospectus;

12. Appendix D specifies in relation to each Sub-fund whether or not point 11 above is applicable to that Sub-fund. The names of the individual States, local authorities and public international bodies ("the issuers") issuing such Securities in which each such Sub-fund may invest over 35% of its assets (if any) are set out in the Table 1 at the end of this Appendix B;

13. in and for the purposes of points 10, 11 and 12 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;

14. the rules on spread of investments do not apply until 12 months after the later of (a) the date when the authorised order in respect of the non-UCITS retail scheme takes effect; and (b) the date of the initial offer commenced, provided that the rules on a prudent spread of risk are complied with;

15. a Sub-fund must not invest in units in a collective investment scheme unless that other scheme (1) (a) satisfies the conditions necessary for it to enjoy the rights conferred by the UCITS Directive; or (b) is a non-UCITS retail scheme; or (c) is a recognised scheme; or (d) is constituted outside the UK and the investment and borrowing powers of which are the same or more restrictive than those of a non-UCITS retail scheme; or (e) is a scheme not falling within (a) to (d) and in respect of which no more than 20% in value of the scheme property (including any transferable securities which are not approved securities) is invested; (2) operates on the principle of the prudent spread of risk; (3) is prohibited from having more than 15% in value of its property consisting of units in collective investment schemes; and (4) entitles its participants to have their units redeemed in accordance with the scheme at a price (a) related to the net value of the property to which the units relate and (b) determined in accordance with the scheme.

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

15A. the scheme property attributable to a Sub-fund may include Shares in another Sub-fund of the Company (the "Second Sub-fund") subject to the requirements of point 15B below;

15B. a Sub-fund may invest in or dispose of Shares of a "Second Sub-fund" provided that:

a. the Second Sub-fund does not hold Shares in any other Sub-fund of the Company;
b. the requirements set out at point 16 below are complied with; and
c. not more than 35% in value of the scheme property of the investing or disposing Sub-fund is to comprise of Shares in the Second Sub-fund;

16. the Sub-funds may invest in other collective investment schemes 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;

17. transferable securities or 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 Sub-fund at the time when the payment is required without contravening COLL 5;

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

19. not more than 10% of the Net Asset Value of the Scheme Property of a Sub-fund may include gold. Notwithstanding the provisions of the FCA Rules, none of the Sub-funds may currently invest in gold.

20. this section does not, and sections 21 to 26 below do not currently apply to any of the Sub-funds. Subject to 21 below, up to 100% of the Net Asset Value of the Scheme Property of a Sub-fund may be held in property (for these purposes land or building ("immoveable")) provided that the immoveable is (1) situated in a country or territory identified in the Prospectus; and (2) if situated in England and Wales or Northern Ireland, a freehold or leasehold interest, if situated in Scotland, any interest or estate in or over land or heritable right including a long lease or, if situated out with England, Wales, Northern Ireland or Scotland, equivalent to any of those interests; and (3) the ACD must have taken reasonable care to determine that the title to the immoveable is a good and marketable title; and (4) the ACD must have received a report from an appropriate valuer containing a valuation of the immoveable (with and without any relevant subsisting mortgage) and either (a) a statement that in his opinion the immoveable, if acquired by a Sub-fund, would be capable of being disposed of reasonably quickly at that valuation or (b) a statement that the immoveable is adjacent to or in the vicinity of another immoveable included in the Scheme Property of a Sub-fund or is another legal interest (see (2) above) in an immoveable already included in the Scheme Property of a Sub-fund (both of which for the purposes of the investment limits with COLL 5.6 are to be regarded as one immoveable) and that in his opinion the total value of both immoveables would at least equal the sum of the price payable for the immoveable and the existing value of the other immoveable; and (5) (a) bought or agreed by enforceable contract to be bought within six months after the receipt of the report of the appropriate valuer; (b) not bought if it is apparent to the ACD that the appropriate valuer's report could no longer be reasonably relied upon; and (c) not bought at more than 105% of the valuation for the relevant immoveable in the appropriate valuer's report.

20A. an immoveable may be held through an intermediate holding vehicle or a series of such vehicles whose purpose is to enable the holding of immoveables, provided certain requirements of the FCA Rules are satisfied. Any investment in an intermediate holding vehicle for the purpose of holding an immoveable shall be treated as if it were a direct investment in the immoveable.

21. not more than 15% of the Net Asset Value of the Scheme Property of a Sub-fund is to consist of any one immoveable but the figure of 15% may be increased to 25% once the immoveable has been included in the Scheme Property of a Sub-fund.

22. not more than 20% of the Net Asset Value of the Scheme Property of a Sub-fund is to consist of immoveables that are subject to a mortgage and any mortgage must not secure more than 100% of the value provided by the appropriate valuer (on the assumption that the immoveable is not mortgaged).

23. the aggregate value of:-

(a) mortgages secured on immoveables under paragraph 22 above;

(b) borrowing of the scheme; and

(c) any transferable securities that are not approved securities

must not at any time exceed 20% of the Net Asset Value of the Scheme Property of a Sub-fund.

24. not more than 50% of the Net Asset Value of the Scheme Property of a Sub-fund may consist of immoveables which are unoccupied and non-income producing or in the course of substantial development, redevelopment or refurbishment.

25. the income receivable from any one group in any accounting period must not be attributable to immoveables comprising more than 25% (which figure may be increased to 35% in the case of a government or public body) of the Net Asset Value of the Scheme Property of a Sub-fund.

26. no option may be granted to a third party to buy any immoveable comprised in the Scheme Property of a Sub-fund unless the value of the relevant immoveable does not exceed 20% of the Net Asset Value of the Scheme Property of a Sub-fund (together with, where appropriate, the value of units in unregulated collective investment schemes and any transferable securities which are not approved securities).

Derivatives and forward transactions

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

1. transactions in approved derivatives (i.e. 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 Sub-fund is dedicated): transferable securities; permitted 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 Sub-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, 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 Sub-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 Sub-fund invests in derivatives, the exposure to the underlying assets must not exceed the limits in points 2 - 12 above. Where a transferable security or money market instrument embeds a derivative, this must be taken into account for the purposes of complying with COLL 5.6. Where the Sub-fund invests in an index based derivative, provided the index is a relevant index as set out in point 4 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 2 - 12.

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

Except in relation to deposits, no agreement by or on behalf of a Sub-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 Sub-fund by delivery of property or the assignment (or, in Scotland, assignation) of rights and (b) the property and rights are owned by the Sub-fund at the time of the agreement. In the FCA's view, the requirement in (a) can be met where:-

(a) the risks of the underlying financial instrument of a derivative can be appropriately represented by another financial instrument and the underlying financial instrument is highly liquid: or

(b) the ACD or depositary has the right to settle the derivative in cash, and cover exists within the Scheme Property which is cash; liquid debt instruments with appropriate safeguards; or other highly liquid assets having regard to their correlation with the underlying of the financial derivative instruments, subject to appropriate safeguards.

An asset may be considered as liquid where the instrument can be converted into cash in no more than seven business days at a price closely corresponding to the current valuation of the financial instrument on its own market.

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 (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 can enter into one or more further transactions to sell, liquidate or close out that transaction at any time, at its fair value; and (d) capable of reliable valuation (i.e. 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 (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).

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 scheme 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, future market movement, counterparty risk and the time available to liquidate any positions. Scheme Property subject to a permitted stock lending transaction may be considered available for cover only if the ACD has taken reasonable care to determine that it is obtainable in time to meet the obligation for which cover is required. 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 applies as if the borrowed currency and not the deposited currency were part of the Scheme Property.

Use of derivatives for each Sub-fund

Appendix D sets out further information in relation to the use of derivatives by the Sub-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.

Stock lending, Repo and Underwriting

As an extension of efficient portfolio management techniques, the ACD on behalf of the Company (or the Depositary acting in accordance with the instructions of the ACD) may enter into certain repo or stock lending transactions in respect of any Sub-fund.

Briefly, stocklending transactions are those where the seller/lender sells/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 resold/redelivered to the seller/lender at a later date and, at the time of initial delivery, the seller/lender receives collateral to cover against the risk of the future resale/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 Sub-fund which may be the subject of such stock lending or repo transactions. Stock lending and repos may be a part of the Efficient Portfolio Management process.

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 or repo arrangement or securities of the same kind.

The ACD and the stocklending agent have agreed minimum requirements for stocklending and repo transactions (should these be used). 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 COLL Rules, be entered into for the account of any Sub-fund.

Collateral for stocklending and repos

For the purposes of stocklending and 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, which is summarised on page 47 under Section 13: General Information. 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 other conditions in this 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.

Collateral transferred to the Depositary is part of the scheme property for the purposes of 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.

No Sub-funds currently enter into stock lending or repo transactions. The expected amount of the scheme property which will be used for stocklending or repo purposes for each Fund is 0% of NAV.

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 Sub-fund on terms that the borrowing is to be repayable out of the Scheme Property of that Sub-fund.

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

Table 1

The following is a list of the names of the States, local authorities and public international bodies ("**issuers**") in whose government and public securities any one or more of the Sub-funds can invest more than 35% of its assets:-

1. The government of the United Kingdom.
2. The government of Canada.
3. The government of France.
4. The government of Germany.
5. The government of Italy.
6. The government of Japan.
7. The government of the United States of America.

The following table indicates (by reference to the numbers used in the above list), in relation to each Sub-fund, those of the issuers listed above in whose government and public securities that Sub-fund can invest more than 35% of its assets:-

Sub-fund	**Reference Numbers**
Asset Allocator Fund	1 - 7
IPS Growth Portfolio	N/A
IPS Income Portfolio	N/A
IPS Higher Income Portfolio	N/A
Managed Growth Fund 2	N/A
Managed Growth Fund 4	N/A
Managed Growth Fund 6	N/A

Leverage

The term "leverage" is defined under AIFMD as any method by which the ACD increases the exposure of the Company whether through borrowing of cash or securities, or leverage embedded in derivative positions or by any other means. The ACD has, in accordance with the FCA Rules, set the maximum level of leverage which each Sub-fund will employ. This is intended to reduce the extent that leverage may magnify a loss in value of Scheme Property resulting from fluctuations in the value of assets in which a Sub-fund invests, exposure to other market participants or to systemic risks. The maximum level of leverage is expressed as a percentage of "exposure" compared to the net asset value of the Sub-fund, with "exposure" being calculated in accordance with a "gross" and "commitment" method. The "gross" method, generally speaking, takes account of the absolute exposure of the Sub-fund while the "commitment" method takes into account netting or hedging arrangements put in place.

Sub-fund Name	**Maximum level of exposure to be employed by the ACD on behalf of a Sub-fund, expressed as a percentage and ratio calculated in accordance with the "gross" method**	**Maximum level of exposure to be employed by the ACD on behalf of a Sub-fund, expressed as a percentage and ratio calculated in accordance with the "commitment" method**
Asset Allocator Fund	500	200
IPS Growth Portfolio	500	200
IPS Income Portfolio	500	200
IPS Higher Income Portfolio	500	200
Managed Growth Fund 2	500	200
Managed Growth Fund 4	500	200
Managed Growth Fund 6	500	200

For information on the associated risks with these types and sources of leverage please refer to the section under the heading "Risk Factors" at Section 12.

Appendix C
Determination of Net Asset Value

Calculation of the Net Asset Value

The Net Asset Value of the scheme property of the Company or sub-fund (as the case may be) shall be the value of its assets less the value of its liabilities and shall 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 neither an asset dealt with in paragraphs 3 or 3A below nor a contingent liability transaction 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 transferable security:-

      (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 instruments 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:

   (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 or 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 unrealised gains where the liabilities have accrued and are payable out of the property of the Scheme; on realised 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 sub-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 Sub-fund, the proportionate interests of each Class in the assets and income of the Sub-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 Sub-fund at that time. The proportionate interest of a Class of share in the assets and income of a Sub-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 Sub-fund exceeds the total subscription money for all Shares in the Sub-fund;
- the Class's proportion of the Sub-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) for the cancellation of Shares of the relevant Class;
- the Class's proportion of the amount by which the Net Asset Value of the Sub-fund falls short of the total subscription money for all Shares in the Sub-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 Sub-fund, but not in respect of the Sub-fund as a whole;
- that Class's proportion of the costs, charges and expenses incurred in respect of or attributable to the Sub-fund as a whole; and
- any notional tax liability under paragraph (v).

(v) Any tax liability in respect of the Sub-fund and any tax benefit received or receivable in respect of the Sub-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 Sub-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 Sub-fund as each other Share of the same category and Class then in issue in respect of that Sub-fund.

4. The Company shall allocate the amount available for income allocation (calculated in accordance with the COLL Rules) between the Shares in issue relating to the relevant Sub-fund according to the respective proportionate interests in the property of the Sub-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 Sub-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 Sub-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
Sub-fund Details

Name:	**Asset Allocator Fund**
	FCA Product Reference ("PRN"):644471
	Shares in the Asset Allocator Fund are not intended to be held as a single investment. The Sub-fund has been designed to be held as part of any existing portfolio of investments through which investors can achieve a tactical investment strategy. It is not suitable to be held as a stand-alone investment. Please refer to page 44 (Risk Factors) for further explanation regarding the Specific Risks in relation to the Asset Allocator Fund.
Investment Objective and Policy:	The Sub-fund aims to achieve a combination of income and capital growth by utilising a tactical investment strategy which aims to maximise return by increasing and decreasing from time to time the amounts invested in the various asset classes that are open to the Sub-fund in accordance with the FCA Rules. The Sub-fund will gain exposure to a range of asset classes and geographic regions. The Sub-fund has been designed to be held as part of an existing portfolio of investments through which investors can achieve a tactical investment strategy.
	Subject to the FCA Rules, the Sub-fund will have no restrictions on the proportions of assets which may be held.
	The Sub-fund will invest (directly or indirectly) in permitted derivative contracts (including futures, options, swaps, forward contracts and other derivatives), fixed interest securities (including government and supranational bonds, corporate bonds, high yield bonds, covered bonds and emerging markets debt), equities, money market instruments, cash, near cash and deposits. The Sub-fund may take long and short positions in markets and securities through derivative contracts but total net derivatives exposure may not exceed the limits in the FCA Rules. The Sub-fund will also gain indirect exposure to other types of assets (such as property, private equity, hedge Sub-funds and commodities) through investment in units and/or shares of collective investment schemes, companies and other vehicles which invest in such assets.
	In addition, the Sub-fund may invest, at the investment adviser's discretion, in other transferable securities (including warrants) and use may also be made of stock lending/repo, borrowing and hedging and other techniques permitted by the FCA Rules.
	The investment adviser may hedge any Non-sterling assets back to sterling at its discretion.
Collective Investment Schemes:	**The Sub-fund may invest substantially or entirely in other collective investment schemes.**
	Such collective investment schemes are established principally in EEA States.
Use of Derivatives, impact on risk profile and volatility:	**Derivative transactions will be used to a significant extent for this Sub-fund.** Derivatives transactions will be used for the purposes of efficient portfolio management, as defined (including hedging) and to meet the investment objectives of the Sub-fund. Derivatives may be exchange traded or Over the Counter (OTC) derivatives.
	Typically, UK open ended investment companies (OEIC) invest on a 'long only'

basis. This means they will rise (or fall) in value based on the market value of the assets they hold. The Sub-fund, by employing certain derivative techniques, will establish both 'long' and 'short' positions in individual stocks and markets. As a result, as well as holding assets that may rise or fall with market values, it may also hold positions that will rise as the market value falls and fall as the market value rises.

The use of derivatives has the potential to increase or decrease the Sub-fund's risk profile and could result in increased price volatility. The ACD employs a detailed risk management process to oversee and manage these derivative risks within the Sub-fund. Investors should be prepared to accept the risks that derivative-related investment can create.

The investment adviser may use one or more separate counterparties to undertake derivative transactions on behalf of the Sub-fund and may be required to pledge collateral paid from within the assets of the Sub-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 Sub-fund. The investment adviser 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.

From time to time the Sub-fund may be highly concentrated in a small number of individual issues and/or issuers (subject to the COLL Rules).

ISA: It is intended that the Sub-fund will be managed so as to ensure that Shares in the Sub-fund constitute qualifying investments for the purposes of the HM Revenue & Customs regulations governing Individual Savings Accounts as they apply from time to time.

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	£5,000,000
	Both Class B share classes	£5,000,000
	Both Class C share classes	£5,000,000
	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	£10,000
	Both Class C share classes	£10,000
	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	£1,000,000
	Both Class B share classes	£1,000,000
	Both Class C share classes	£1,000,000
	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:	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
	Both Class Q share classes	£1,000
	Both Class X share classes	£1,000
Preliminary Charge:	Both Class A share classes	5.00% (current)
	Both Class B share classes	5.00% (current)
	Both Class C share classes	5.00% (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	1.50% (current)
	Both Class B share classes	0.75% (current)
	Both Class C share classes	1.00% (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 November to 30 April
Income Allocation Date(s):	31 December (annual) 30 June (interim)
Status of Sub-fund for UK tax purposes:	The Sub-fund is not a bond Sub-fund for UK tax purposes and therefore any income paid or allocations made will constitute a dividend distribution.
Additional power re government & public securities:	Subject always to the investment objective of and any investment restrictions applicable to this Sub-fund, more than 35% and up to 100% of the Scheme Property of this Sub-fund may be invested in government and public securities issued or guaranteed by any one of the issuers indicated in Table 1 of Appendix B in relation to this Sub-fund.
Historic performance:	Set out in Appendix F.
Profile of typical investor:	The Sub-fund will be marketed towards retail and wholesale investors who should have regard to both the Investment Objective and Policy of the Sub-fund and the Risk Factors detailed in section 12 of this Prospectus. **Shares in the Asset Allocator Fund are not intended to be held as a single investment. The Sub-fund has been designed to be held as part of any existing portfolio of investments through which investors can achieve a tactical investment strategy. It is not suitable to be held as a stand-alone investment. Please refer to page 44 (Risk Factors) for further explanation regarding the Specific Risks in relation to the Asset Allocator Fund.** Investors are advised to consult with their professional advisers in respect of any investment decision.

Name: **IPS Growth Portfolio**

FCA Product Reference (“PRN”):644472

Shares in the IPS Growth Portfolio are not intended to be held as a single investment. The Sub-fund has been designed to be held as part of any existing portfolio of investments through which investors can achieve a tactical investment strategy. It is not suitable to be held as a stand-alone investment.

Investment Objective and Policy:

The Sub-fund aims to achieve long-term capital growth through investment in a portfolio which gives exposure to a wide range of asset classes through either direct or indirect investments.

The Sub-fund will provide exposure to equities (which may include UK, overseas or emerging markets) and fixed interest securities (which may include UK government bonds, other sterling denominated bonds, high yield bonds, overseas bonds, covered bonds and convertibles). The Sub-fund may also provide exposure to a combination of any or all of the following: "alternative" asset classes (including but not limited to private equity, hedge funds and commodities) as well as UK or overseas property.

In order to gain exposure to these asset classes the Sub-fund may invest (directly or indirectly) in a combination of any or all of the following: collective investment schemes, transferable securities (including closed end funds and/or warrants), depositary receipts, money market instruments, cash, near cash, deposits, derivatives, forward contracts and other regulated vehicles.

Use may also be made of unregulated collective investment schemes, stock lending/repo, borrowing, hedging and other techniques permitted by FCA Rules.

It is intended that the Sub-fund will normally be fully invested however all or part of the assets of the Sub-fund may from time to time be invested in cash, deposits, and/or money market instruments in the interests of efficient fund management.

The Investment Adviser may delegate some or all of its duties in respect of the Sub-fund to one or more Sub-Advisers.

Collective Investment Schemes

The Sub-fund may invest substantially in other collective investment schemes

Such collective investment schemes are established principally in EEA States.

Use of derivatives

Derivatives transactions will be used for the purposes of efficient portfolio management (as defined) (including hedging) and to meet the investment objectives of the Sub-fund. Derivatives may be exchange traded or Over the Counter (OTC) derivatives.

The use of derivatives has the potential to increase or decrease the Sub-fund's risk profile and could result in increased price volatility. The ACD employs a detailed risk management process to oversee and manage these derivative risks within the Sub-fund. Investors should be prepared to accept the risks that derivative-related investment can create.

In particular, the Sub-fund may use derivative transactions to achieve tactical exposure to the underlying which may result in the Sub-fund having a large derivatives holding at any one time.

ISA:	It is intended that the Sub-fund will be managed so as to ensure that Shares in the Sub-fund constitute qualifying investments for the purposes of the HM Revenue & Customs regulations governing Individual Savings Accounts as they apply from time to time.	
Share Classes:	Class A net accumulation shares* Class A 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 Both Class P share classes Both Class Q share classes Both Class X share classes	£5,000,000 £5,000,000 £5,000,000 £5,000,000
Minimum Subsequent Investment:	Both Class A share classes Both Class P share classes Both Class Q share classes Both Class X share classes	£1,000,000 £1,000,000 £1,000,000 £1,000,000
Minimum Holding:	Both Class A share classes Both Class P share classes Both Class Q share classes Both Class X share classes	£1,000,000 £1,000,000 £1,000,000 £1,000,000
Minimum Partial Redemption:	Both Class A share classes Both Class P share classes Both Class Q share classes Both Class X share classes	£10,000 £10,000 £10,000 £10,000
Preliminary Charge:	Both Class A share classes Both Class P share classes Both Class Q share classes Both Class X share classes	5.00% (current) 0.00% (current) 0.00% (current) 0.00% (current)
Annual Management Charge:	Both Class A share classes Both Class P share classes Both Class Q share classes Both Class X share classes	0.35% (current) 0.20% (current) 0.2% (current) 0.00% (current)
Interim Accounting Period(s):	1 November to 31January 1 February to 30 April 1 May to 31 July	
Income Allocation Date(s):	31 December (annual) 31 March (interim) 30 June (interim) 30 September (interim)	
Status of Sub-fund for UK tax purposes:	It is anticipated that the Sub-fund will not be a bond fund for UK tax purposes and therefore any income paid or allocations made will constitute a dividend distribution.	
Additional power re	N/A	

government & public securities:	
Historic performance:	Set out in Appendix F.
Profile of typical investor:	The Sub-fund will be marketed towards retail and wholesale investors who should have regard to both the Investment Objective and Policy of the Sub-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.

Name: **IPS Income Portfolio**

FCA Product Reference (“PRN”): 644473

Shares in the IPS Income Portfolio are not intended to be held as a single investment. The Sub-fund has been designed to be held as part of any existing portfolio of investments through which investors can achieve a tactical investment strategy. It is not suitable to be held as a stand-alone investment.

Investment Objective and Policy:

The Sub-fund aims to provide income with some potential for capital growth through investment in a portfolio which gives exposure to a wide range of asset classes through either direct or indirect investments.

The Sub-fund will provide exposure to fixed interest securities (which may include UK government bonds, other sterling denominated bonds, high yield bonds, overseas bonds, covered bonds and convertibles). The Sub-fund may also provide exposure to a combination of any or all of the following: equities (which may include UK, overseas or emerging markets equities), "alternative" asset classes (including but not limited to private equity, hedge funds and commodities) as well as UK or overseas property.

In order to gain exposure to these asset classes, the Sub-fund may invest in any or all of the following: collective investment schemes, transferable securities (including closed end funds and/or warrants), depositary receipts, money market instruments, cash, near cash, deposits, derivatives, forward contracts and other regulated vehicles.

Use may also be made of unregulated collective investment schemes, stock lending/repo, borrowing, hedging and other techniques permitted by FCA Rules.

It is intended that the Sub-fund will normally be fully invested however all or part of the assets of the Sub-fund may from time to time be invested in cash, deposits, and/or money market instruments in the interests of efficient fund management.

The Investment Adviser may delegate some or all of its duties in respect of the Sub-fund to one or more Sub-Advisers.

Collective Investment Schemes

The Sub-fund may invest substantially in other collective investment schemes

Such collective investment schemes are established principally in EEA Member States.

Use of derivatives

Derivatives transactions will be used for the purposes of efficient portfolio management (as defined) (including hedging) and to meet the investment objectives of the Sub-fund. Derivatives may be exchange traded or Over the Counter (OTC) derivatives.

The use of derivatives has the potential to increase or decrease the Sub-fund's risk profile and could result in increased price volatility. The ACD employs a detailed risk management process to oversee and manage these derivative risks within the Sub-fund. Investors should be prepared to accept the risks that derivative-related investment can create.

In particular, the Sub-fund may use derivative transactions to achieve tactical exposure to the underlying which may result in the Sub-fund having a large derivatives holding at any one time.

ISA:	It is intended that the Sub-fund will be managed so as to ensure that Shares in the Sub-fund constitute qualifying investments for the purposes of the HM Revenue & Customs regulations governing Individual Savings Accounts as they apply from time to time.	
Share Classes:	Class A gross accumulation shares* Class P gross income shares* Class Q gross income shares* Class X gross accumulation 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:	Class A share class Class P share class Class Q share class Class X share class	£5,000,000 £5,000,000 £5,000,000 £5,000,000
Minimum Subsequent Investment:	Class A share class Class P share class Class Q share class Class X share class	£1,000,000 £1,000,000 £1,000,000 £1,000,000
Minimum Holding:	Class A share class Class P share class Class Q share class Class X share class	£1,000,000 £1,000,000 £1,000,000 £1,000,000
Minimum Partial Redemption:	Class A share class Class P share class Class Q share class Class X share class	£10,000 £10,000 £10,000 £10,000
Preliminary Charge:	Class A share class Class P share class Class Q share class Class X share class	5.00% (current) 0.00% (current) 0.00% (current) 0.00% (current)
Annual Management Charge:	Class A share class Class P share class Class Q share class Class X share class	0.35% (current) 0.20% (current) 0.2% (current) 0.00% (current)
Interim Accounting Period(s):	1 November to 31 January 1 February to 30 April 1 May to 31 July	
Income Allocation Date(s):	31 December (annual) 31 March (interim) 30 June (interim) 30 September (interim)	
Status of Sub-fund for UK tax purposes:	It is anticipated that the Sub-fund will be a bond fund for UK tax purposes and therefore any income paid or allocations made will constitute an interest distribution.	
Additional power re government & public securities:	N/A	
Historic	Set out in Appendix F.	

performance:

Profile of typical investor:	The Sub-fund will be marketed towards retail and wholesale investors who should have regard to both the Investment Objective and Policy of the Sub-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.

Name:	**IPS Higher Income Portfolio**

FCA Product Reference ("PRN"):644474

Shares in the IPS Higher Income Portfolio are not intended to be held as a single investment. The Sub-fund has been designed to be held as part of any existing portfolio of investments through which investors can achieve a tactical investment strategy. It is not suitable to be held as a stand-alone investment.

Investment Objective and Policy:

The Sub-fund aims to provide a high level of income through investment in a portfolio which gives exposure to a wide range of asset classes and geographic regions through either direct or indirect investments.

The Sub-fund will provide exposure to fixed interest securities (including but not limited to UK governments bonds, other sterling denominated bonds, covered bonds, corporate bonds, high yield bonds, overseas bonds and convertibles). The Sub-fund may also provide exposure to a combination of any or all of the following: equities (which may include UK, overseas or emerging markets equities), "alternative" asset classes (including but not limited to private equity, hedge funds and commodities) as well as UK or overseas property.

In order to gain exposure to these asset classes the Sub-fund may invest (directly or indirectly) in a combination of any or all of the following: collective investment schemes, transferable securities (including closed end funds and/or warrants), depositary receipts, money market instruments, cash, near cash, deposits, derivatives, forward contracts and other regulated vehicles.

Use may also be made of unregulated collective investment schemes, stock lending/repo, borrowing, hedging and other techniques permitted by FCA Rules.

It is intended that the Sub-fund will normally be fully invested however all or part of the assets of the Sub-fund may from time to time be invested in cash, deposits, and/or money market instruments in the interests of efficient fund management.

The Investment Adviser may delegate some or all of its duties in respect of the Sub-fund to one or more Sub-Advisers.

Collective Investment Schemes

The Sub-fund may invest substantially in other collective investment schemes

Such collective investment schemes are established principally in EEA States.

Use of derivatives

Derivatives transactions will be used for the purposes of efficient portfolio management (as defined) (including hedging) and to meet the investment objectives of the Sub-fund. Derivatives may be exchange traded or Over the Counter (OTC) derivatives.

The use of derivatives has the potential to increase or decrease the Sub-fund's risk profile and could result in increased price volatility. The ACD employs a detailed risk management process to oversee and manage these derivative risks within the Sub-fund. Investors should be prepared to accept the risks that derivative-related investment can create.

In particular, the Sub-fund may use derivative transactions to achieve tactical exposure to the underlying which may result in the Sub-fund having a large derivatives holding at any one time.

ISA:	It is intended that the Sub-fund will be managed so as to ensure that Shares in the Sub-fund constitute qualifying investments for the purposes of the HM Revenue & Customs regulations governing Individual Savings Accounts as they apply from time to time.	
Share Classes:	Class A gross accumulation shares* Class P gross income shares* Class Q gross income shares* Class X gross 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:	Class A share class Class P share class Class Q share class Class X share class	£5,000,000 £5,000,000 £5,000,000 £5,000,000
Minimum Subsequent Investment:	Class A share class Class P share class Class Q share class Class X share class	£1,000,000 £1,000,000 £1,000,000 £1,000,000
Minimum Holding:	Class A share class Class P share class Class Q share class Class X share class	£1,000,000 £1,000,000 £1,000,000 £1,000,000
Minimum Partial Redemption:	Class A share class Class P share class Class Q share class Class X share class	£10,000 £10,000 £10,000 £10,000
Preliminary Charge:	Class A share class Class P share class Class Q share class Class X share class	5.00% (current) 0.00% (current) 0.00% (current) 0.00% (current)
Annual Management Charge:	Class A share class Class P share class Class Q share class Class X share class	0.35% (current) 0.20% (current) 0.20% (current) 0.00% (current)
Interim Accounting Period(s):	1 November to 31 January 1 February to 30 April 1 May to 31 July	
Income Allocation Date(s):	31 December (annual) 31 March (interim) 30 June (interim) 30 September (interim)	
Status of Sub-fund for UK tax purposes:	It is anticipated that the Sub-fund will be a bond fund for UK tax purposes and therefore any income paid or allocations made will constitute an interest distribution.	
Additional power re government & public securities:	N/A	

Historic performance:	Set out in Appendix F.
Profile of typical investor:	The Sub-fund will be marketed towards retail and wholesale investors who should have regard to both the Investment Objective and Policy of the Sub-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.

Name:	**Managed Growth Fund 2** **FCA Product Reference ("PRN"):644475**
Investment Objective and Policy:	The Sub-fund aims to achieve a combination of income and capital growth by mainly investing in a portfolio of collective investment schemes to achieve broad exposure to diversified investments, including equities and fixed interest securities. Property exposure will also be achieved via exposure to collective investment schemes. The Sub-fund will typically have a higher exposure to lower risk assets, such as fixed interest securities. Where appropriate the Sub-fund may also invest directly or indirectly in equities and fixed interest securities and other transferable securities (including closed end Sub-funds), depositary receipts, money market instruments, cash, near cash, deposits, derivatives and other regulated collective investment schemes. Use may also be made of unregulated collective investment schemes, stocklending/repos, borrowing and hedging. The portfolio will normally be fully invested however the ACD may at its discretion invest all or part of the assets of the Sub-fund in cash, deposits, and/or money market instruments in the interests of efficient fund management. It is not currently intended that derivatives will be used for any purpose other than hedging where it is appropriate to do so and the efficient portfolio management of the Sub-fund. **Although derivatives may, subject to the ACD obtaining and maintaining the requisite permissions from the FCA under the Financial Services and Markets Act 2000 and on giving not less than 60 days' notice to shareholders in the Sub-fund, be used in pursuit of its investment objective as well as hedging in the future.** If derivatives are used for the purpose of meeting the investment objective of the Sub-fund as well as hedging it is not intended that the use of derivatives would raise the risk profile.
Collective Investment Schemes:	**The Sub-fund may invest substantially or entirely in other collective investment schemes.** Such collective investment schemes are established principally in EEA States.
Use of Derivatives, impact on risk profile and volatility:	At the date of this Prospectus, it is intended that derivatives transactions will be used for the purposes of efficient portfolio management (as defined) (including hedging). It is not intended that the use of derivatives would raise the risk profile.
ISA:	It is intended that the Sub-fund will be managed so as to ensure that Shares in the Sub-fund constitute qualifying investments for the purposes of the HM Revenue & Customs regulations governing Individual Savings Accounts as they apply from time to time.
Share Classes:	Class L gross accumulation shares The ACD may, at its entire discretion, make other share classes available at any time.

Minimum Initial Investment:	Class L gross accumulation shares	£5,000,000
Minimum Subsequent Investment:	Class L gross accumulation shares	£10,000
Minimum Holding:	Class L gross accumulation shares	£1,000,000

Minimum Partial Redemption:	Class L gross accumulation shares	£1,000
Preliminary Charge:	Class L gross accumulation shares	0.00% (current)
Annual Management Charge:	Class L gross accumulation shares	0.15% (current)
Interim Accounting Period(s):	1 November to 30 April	
Income Allocation Date(s):	31 December (annual) 30 June (interim)* * Note that there will be no interim income allocation for June 2014 and the first income allocation date for the Sub-fund will be 31 December 2014	
Status of Sub-fund for UK tax purposes:	It is anticipated that the Sub-fund will be a bond fund for UK tax purposes and therefore any income paid or allocations made will constitute an interest distribution.	
Additional power re government & public securities:	None.	
Historic performance:	Set out in Appendix F.	
Profile of typical investor:	The Sub-fund will be marketed towards retail investors who should have regard to both the Investment Objective and Policy of the Sub-fund and the Risk Factors detailed in section 12 of this Prospectus. Investors should have a medium to long term horizon and are advised to consult with their professional advisers in respect of any investment decision.	

Name:	**Managed Growth Fund 4** **FCA Product Reference ("PRN"):644476**
Investment Objective and Policy:	The Sub-fund aims to achieve a combination of income and capital growth by mainly investing in a portfolio of collective investment schemes to achieve broad exposure to diversified investments, including equities and fixed interest securities. Property exposure will also be achieved via exposure to collective investment schemes. The Sub-fund will typically take a diversified approach to lower and higher risk assets. Where appropriate the Sub-fund may also invest directly or indirectly in transferable securities (including closed end funds), depositary receipts, money market instruments, cash, near cash, deposits, derivatives and other regulated collective investment schemes. Use may also be made of unregulated collective investment schemes, stocklending/repos, borrowing and hedging. The portfolio will normally be fully invested however the ACD may at its discretion invest all or part of the assets of the Sub-fund in cash, deposits, and/or money market instruments in the interests of efficient fund management. It is not currently intended that derivatives will be used for any purpose other than hedging where it is appropriate to do so and the efficient portfolio management of the Sub-fund. **Although derivatives may, subject to the ACD obtaining and maintaining the requisite permissions from the FCA under the Financial Services and Markets Act 2000 and on giving not less than 60 days' notice to shareholders in the Sub-fund, be used in pursuit of its investment objective as well as hedging in the future.** If derivatives are used for the purpose of meeting the investment objective of the Sub-fund as well as hedging it is not intended that the use of derivatives would raise the risk profile.
Collective Investment Schemes:	**The Sub-fund may invest substantially or entirely in other collective investment schemes.** Such collective investment schemes are established principally in EEA States.
Use of Derivatives, impact on risk profile and volatility:	At the date of this Prospectus, it is intended that derivatives transactions will be used for the purposes of efficient portfolio management (as defined) (including hedging). It is not intended that the use of derivatives would raise the risk profile.
ISA:	It is intended that the Sub-fund will be managed so as to ensure that Shares in the Sub-fund constitute qualifying investments for the purposes of the HM Revenue & Customs regulations governing Individual Savings Accounts as they apply from time to time.
Share Classes:	Class L net accumulation shares The ACD may, at its entire discretion, make the other share classes available at any time.

Minimum Initial Investment:	Class L net accumulation shares	£5,000,000
Minimum Subsequent Investment:	Class L net accumulation shares	£10,000
Minimum Holding:	Class L net accumulation shares	£1,000,000

Minimum Partial Redemption:	Class L net accumulation shares	£1,000
Preliminary Charge:	Class L net accumulation shares	0.00% (current)
Annual Management Charge:	Class L net accumulation shares	0.15% (current)
Interim Accounting Period(s):	1 November to 30 April	
Income Allocation Date(s):	31 December (annual) 30 June (interim)* * Note that there will be no interim income allocation for June 2014 and the first income allocation date for the Sub-fund will be 31 December 2014	
Status of Sub-fund for UK tax purposes:	It is anticipated that the Sub-fund will not be a bond fund for UK tax purposes and therefore any income paid or allocations made will constitute a dividend distribution.	
Additional power re government & public securities:	None.	
Historic performance:	Set out in Appendix F.	
Profile of typical investor:	The Sub-fund will be marketed towards retail investors who should have regard to both the Investment Objective and Policy of the Sub-fund and the Risk Factors detailed in section 12 of this Prospectus. Investors should have a medium to long term horizon and are advised to consult with their professional advisers in respect of any investment decision.	

Name:	**Managed Growth Fund 6** **FCA Product Reference ("PRN"):644477**
Investment Objective and Policy:	The Sub-fund aims to achieve a combination of income and capital growth by mainly investing in a portfolio of collective investment schemes to achieve broad exposure to diversified investments, including equities and fixed interest securities. Property exposure will also be achieved via exposure to collective investment schemes. The Sub-fund will typically have high exposure to assets providing potential for growth, such as equities. Where appropriate the Sub-fund may also invest directly or indirectly in transferable securities (including closed end funds), depositary receipts, money market instruments, cash, near cash, deposits, derivatives and other regulated collective investment schemes. Use may also be made of unregulated collective investment schemes, stocklending/repos, borrowing and hedging. The portfolio will normally be fully invested however the ACD may at its discretion invest all or part of the assets of the Sub-fund in cash, deposits, and/or money market instruments in the interests of efficient fund management. It is not currently intended that derivatives will be used for any purpose other than hedging where it is appropriate to do so and the efficient portfolio management of the Sub-fund. **Although derivatives may, subject to the ACD obtaining and maintaining the requisite permissions from the FCA under the Financial Services and Markets Act 2000 and on giving not less than 60 days' notice to shareholders in the Sub-fund, be used in pursuit of its investment objective as well as hedging in the future.** If derivatives are used for the purpose of meeting the investment objective of the Sub-fund as well as hedging it is not intended that the use of derivatives would raise the risk profile.
Collective Investment Schemes:	**The Sub-fund may invest substantially or entirely in other collective investment schemes.** Such collective investment schemes are established principally in EEA States.
Use of Derivatives, impact on risk profile and volatility:	At the date of this Prospectus, it is intended that derivatives transactions will be used for the purposes of efficient portfolio management (as defined) (including hedging). It is not intended that the use of derivatives would raise the risk profile.
ISA:	It is intended that the Sub-fund will be managed so as to ensure that Shares in the Sub-fund constitute qualifying investments for the purposes of the HM Revenue & Customs regulations governing Individual Savings Accounts as they apply from time to time.
Share Classes:	Class L net accumulation shares* The ACD may, at its entire discretion, make other share classes available at any time.
Minimum Initial Investment:	Class L net accumulation shares £5,000,000
Minimum Subsequent Investment:	Class L net accumulation shares £10,000
Minimum Holding:	Class L net accumulation shares £1,000,000

Minimum Partial Redemption:	Class L net accumulation shares	£1,000
Preliminary Charge:	Class L net accumulation shares	0.00% (current)
Annual Management Charge:	Class L net accumulation shares	0.15% (current)

Interim Accounting Period(s): 1 November to 30 April

Income Allocation Date(s): 31 December (annual)
30 June (interim)*
* Note that there will be no interim income allocation for June 2014 and the first income allocation date for the Sub-fund will be 31 December 2014

Status of Sub-fund for UK tax purposes: It is anticipated that the Sub-fund will not be a bond fund for UK tax purposes and therefore any income paid or allocations made will constitute a dividend distribution.

Additional power re government & public securities: None.

Historic performance: Set out in Appendix F.

Profile of typical investor: The Sub-fund will be marketed towards retail investors who should have regard to both the Investment Objective and Policy of the Sub-fund and the Risk Factors detailed in section 12 of this Prospectus. Investors should have a medium to long term horizon and are advised to consult with their professional advisers in respect of any investment decision.

Appendix E
Other Regulated 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
Multi-Manager ICVC

Appendix F
Historic Performance

Percentage growth	**1 Yr** **30/04/2012 – 30/04/2013**	**1 Yr** **30/04/2013 – 30/04/2014**	**1 Yr** **30/04/2014 – 30/04/2015**	**1 Yr** **30/04/2015 – 30/04/2016**
Asset Allocator Fund	9.07	-1.03	3.47	-2.93
IPS Growth Portfolio	15.55	7.34	10.97	-2.44
IPS Higher Income Portfolio	9.01	3.58	3.87	0.00
IPS Income Portfolio	8.93	2.65	4.16	0.40
Managed Growth Fund 2**			8.01	0.73
Managed Growth Fund 4**			7.88	-1.74
Managed Growth Fund 6**			7.96	-2.82
Source: Financial Express Limited (Performance based on Class A Share Accumulation unit)				

**The Managed Growth Funds were launched on 26 March 2014 therefore there is no historic performance information available.

If you wish to obtain current information regarding fund performance please contact 0800 336600, 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 (overleaf)/

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**
Asset Allocator	1 April 2015 – 31 March 2016	254 out of a possible maximum 254 times	0.00%-0.09% (for Bid and Offer adjustment)	0	0
IPS Growth	1 April 2015 – 31 March 2016	254 out of a possible maximum 254 times	0.04%-0.07% (for Bid and Offer adjustment)	0	0
IPS Higher Income	1 April 2015 – 31 March 2016	158 out of a possible maximum 254 times	0.05%-0.10% (for Bid and Offer adjustment)	0	0
IPS Income	1 April 2015 – 31 March 2016	254 out of a possible maximum 254 times	0.03%-0.09% (for Bid and Offer adjustment)	0	0
Managed Growth Fund 2*	N/A	N/A	0.00%-0.01% (for Bid and Offer adjustment	N/A	N/A
Managed Growth Fund 4*	N/A	N/A	0.00%-0.01% (for Bid and	N/A	N/A

			Offer adjustment		
Managed Growth Fund 6*	N/A	N/A	0.00%-0.01% (for Bid and Offer adjustment	N/A	N/A

“offer basis” meaning the Share price swing (adjustment) increased the Share price.
“bid basis” meaning the Share price swing (adjustment) decreased the Share price.

*Managed Growth Fund 2, Managed Growth Fund 4 and Managed Growth Fund 6 were launched on 26 March 2014, so there is no historical information on dilution for these Funds. The expectation is that, initially, the Share price will be “swung” (adjusted) to an offer basis to minimise the potential negative impact on Shareholders. The ranges of adjustment are expected to be in the region of: 0.01% to 0.08% for Managed Growth Fund 2, Managed Growth Fund 4 and Managed Growth Fund 6.

Appendix G
Directors of the ACD

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