Prospectus of

SCOTTISH WIDOWS INCOME AND GROWTH FUNDS ICVC

(an investment company with variable capital incorporated with limited liability and registered by the Financial Services Authority (which has since been succeeded by the Financial Conduct Authority) under registered number IC000806), FCA Product Reference (“PRN”): 509585

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 Scottish Widows Income and Growth Funds ICVC ("the Company"), a UK authorised investment company with variable capital. It 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") and complies with the requirements of such Sourcebooks.

The authorised corporate director ("ACD") and the alternative investment fund manager ("AIFM") of the Company, Scottish Widows Unit Trust Managers Limited, 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 or the AIFMD to be included in it. It accepts responsibility accordingly.

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

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

The distribution of this Prospectus and the offering of Shares in certain jurisdictions may be restricted. Persons into whose possession this Prospectus comes are required by the Company to inform themselves about and to observe any such restrictions. 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.

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.

The Shares which are described in this Prospectus have not been and will not be registered under the United States Securities Act of 1933, the United States Investment Company Act of 1940 or the securities laws of any of the states of the United States of America and may not be directly or indirectly offered or sold in the United States of America to or for the account or benefit of any U.S. Person, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the United States Securities Act of 1933, the United States Investment Company Act of 1940 and similar requirements of such state securities laws

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

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

This Prospectus is dated, and is valid as at 26 March 2018. 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	Scottish Widows Income and Growth Funds ICVC 15 Dalkeith Road Edinburgh EH16 5WL
Authorised Corporate Director and Alternative Investment Fund Manager	Scottish Widows Unit Trust Managers Limited **Registered Office**: Charlton Place Andover Hampshire SP10 1RE **Head Office**: 15 Dalkeith Road Edinburgh EH16 5WL
Investment Adviser	Aberdeen Asset Investments Limited Bow Bells House 1 Bread Street London EC4M 9HH
Depositary	State Street Trustees Limited **Correspondence Address:** Quartermile 3 10 Nightingale Way Edinburgh EH3 9EG
Registrar	Scottish Widows Unit Trust Managers Limited **Registered Office**: Charlton Place Andover Hampshire SP10 1RE **Head Office**: 15 Dalkeith Road Edinburgh EH16 5WL
Auditors	PricewaterhouseCoopers LLP Level 4, Atria One, 144 Morrison Street Edinburgh EH3 8EX
Regulatory body	The Financial Conduct Authority 25 The North Colonnade Canary Wharf London E14 5HS

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 (unless an alternative definition is provided in Appendix D in relation to any specific sub-fund):-

"ACD"	the authorised corporate director and AIFM of the Company, being Scottish Widows Unit Trust Managers Limited;
"Act"	the Financial Services and Markets Act 2000 as amended or replaced from time to time;
"AIF"	an alternative investment fund, as such term is defined in the AIFMD;
"AIFM"	an alternative investment fund manager, as such term is defined in the AIFMD;
"AIFM Agreement"	the Agreement dated 22 July 2014 as amended by which the ACD was appointed by the Company to act as both the ACD and the AIFM of the Company;
"AIFMD"	the Alternative Investment Fund Managers Directive 2011/61/EU, the Commission delegated Regulation (EU) No. 231/2013 of 19 December 2012 and the Alternative Investment Fund Managers Regulations 2013 No. 1773;
"Automatic Switch"	any switch between: (i) Class D Share Class Shares, Class E Share Class Shares and/or Class F Share Class Shares, as appropriate, of the same sub-fund (or any successor thereof); or (ii) Class P Share Class Shares, Class Q Share Class Shares and/or Class R Share Class Shares, as appropriate, of the same sub-fund (or any successor thereof); (made by the ACD in accordance with the relevant subscription conditions of each such Share Class. Such switch will take place on a date at the discretion of the ACD;
"Capital Protected Funds"	means such one or more of Capital Protected Fund 19 to Capital Protected Fund 21 as is relevant in the context. Please note however, that Capital Protected Fund 19 and Capital Protected Fund 20 are in the process of being terminated and the term "Capital Protected Fund" shall be deemed to include this acknowledgement;
"Capital Protected Price"	means, in relation to the **Protected Funds**, the minimum Share price the Fund aims to achieve on the Protection Date;
"Cash Investment Period"	means, in relation to the **Protected Funds**, the period during which Shares may be issued (details of which are contained in Appendix D);
"CASS"	the Client Asset Rules Sourcebook published by the FCA as part of their Handbook of rules made under the Act;

"Class"	a class of Share relating to a Fund;
"COBS"	the Conduct of Business Sourcebook published by the FCA as part of their Handbook of rules made under the Act;
"Company"	Scottish Widows Income and Growth Funds ICVC;
"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;
"Derivative Date"	means, in relation to the **Protected Funds**, the date on and from which the Scheme Property is invested in derivatives, (details of which are contained in Appendix D);
"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 Fund with a risk level which is consistent with the risk profile of the Fund and the risk diversification rules laid down in COLL.
"End Date"	in relation to each Protected Fund, the date on which the ACD shall redeem the remaining Shares in issue and thereafter commence termination of the relevant Protected Fund, (details of the respective dates are contained in Appendix D for each Protected Fund);
"FCA"	the Financial Conduct Authority;
"FCA Rules"	the rules contained in the Collective Investment Schemes Sourcebook ("COLL") and the Investment Funds Sourcebook ("FUND"), in each case 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 Sourcebooks;

"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;
“Growth Funds”	means the Cautious Growth Fund, Balanced Growth Fund, Progressive Growth Fund and Adventurous Growth Fund;
"Growth Potential Period"	means, in relation to the **Protected Funds**, the period during which the Scheme Property is invested in derivatives;
"Group"	means the group of companies consisting of the ultimate holding company of the ACD from time to time and each of the subsidiaries of that holding company from time to time;
"holding company"	has the meaning ascribed thereto in the Companies Act 2006;
"HMRC"	means Her Majesty’s Revenue and Customs;
"ICVC"	investment company with variable capital;
"Index"	means the index or basket of indices specified in Appendix D in respect of each **Protected Fund** as may be amended or replaced from time to time;
"Instrument of Incorporation"	the Instrument of Incorporation of the Company;
"Investment Adviser"	Aberdeen Asset Investments Limited, the investment adviser appointed by the ACD;
"ISA"	means an Individual Savings Account set up under the ISA Regulations;
"ISA Regulations"	means the Individual Savings Account Regulations 1998 and any subsequent amendments, variations or replacement enactments thereof that may be in force from time to time;
"Issue Limit"	means, in relation to the **Protected Funds**, the limit up to which it is planned that Shares in a Cash Investment Period may be issued;
"Leverage"	any method by which the ACD increases the exposure of a Fund whether through borrowing of cash or securities, or leverage embedded in derivative positions or by any other means;
"Net Asset Value"	the value of the Scheme Property of the Company (or of any Fund or Class of Shares as the context requires) less the liabilities of the Company (or of the Fund or Class of Shares concerned) as calculated in accordance with the FCA Rules and the Instrument of Incorporation (the relevant provisions of which are set out below under "Calculation of the Net Asset Value" in Appendix C);

“New ISA Subscriptions”	means the amounts subscribed (before payment of any applicable preliminary charge) by a person via ISAs managed by the ACD to the **Growth Funds** by way of a new or additional subscription or transfer from another ISA manager made at or following 20 February 2017. These amounts subscribed will include (a) lump sum contributions made on or after 20 February 2017; (b) regular savings arrangements which commence on or after 20 February 2017, including any subsequent increases made to them; and (c) increases which are made on or after 20 February 2017 to any existing regular savings arrangements, and do not include any amounts subscribed as a result of switches from any other funds and/or products provided by any member of the Group. Any such amounts redeemed from the **Growth Funds** will be treated as a deduction from a Shareholder’s New ISA Subscriptions;
“Non ISA Subscriptions”	means the amounts subscribed (before payment of any applicable preliminary charge) by a person, outside an ISA managed by the ACD, to the **Growth Funds** by way of a new or additional subscription made at or following 20 February 2017. These amounts subscribed will include (a) lump sum contributions made on or after 20 February 2017; (b) regular savings arrangements which commence on or after 20 February 2017, including any subsequent increases made to them; and (c) increases which are made on or after 20 February 2017 to any existing regular savings arrangements, and do not include any amounts subscribed as a result of switches from any other funds and/or products provided by any member of the Group;
"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;
"Protected Funds"	means the Capital Protected Funds;
"Protection Date"	means, in relation to the **Protected Funds**, the date on which the Share price reflects the maturity value of the derivatives, details of which are contained in Appendix D;
"Qualifying Contributions"	means (a) the amounts subscribed (before payment of any applicable preliminary charge) by a Shareholder via ISAs managed by the ACD to (i) the **Growth Funds**, whether by way of new subscription or transfer from another ISA manager; and (ii) other capital protected funds within any other ICVCs managed by the ACD at or following 1 June 2010; and (b) any New ISA Subscriptions. Any amounts redeemed from such funds will be treated as a deduction from a Shareholder’s Qualifying Contributions;
“Redemption Period”	in relation to each Protected Fund, the period on and from the Protection Date until the Dealing Day immediately before the End Date, during which period the Scheme Property shall be

invested in cash, near cash, deposits and/or 1 or more collective investment schemes (as the ACD shall at its discretion determine), (details of the respective dates are contained in Appendix D for each Protected Fund);

"Register" the register of Shareholders kept on behalf of the Company;

"Registrar" the registrar of the Company, being Scottish Widows Unit Trust Managers Limited;

"Scheme Property" the property of the Company subject to the collective investment scheme constituted by the Company or (as the context may require) the part of that property attributable to a particular Fund;

"SDRT" stamp duty reserve tax;

"Share" a share in the Company (including both a larger and a smaller denomination share);

"Shareholder" the holder of a Share (whether in registered or bearer form);

"Start Date" the date on which a Shareholder's initial subscription to a Fund is accepted by the ACD;

"subsidiary" has the meaning ascribed thereto in the Companies Act 2006;

"Switch" exchange of Shares for either Shares of another Class relating to the same Fund or for Shares relating to another Fund or (as the context may require) the act of so exchanging;

"US" the United States of America (including any states thereof and the District of Columbia), its territories, possessions and all other areas subject to its jurisdiction;

"US Person" unless otherwise determined by the ACD:

(i) a 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 other jurisdiction thereof 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 of which any executor or administrator is a US Person;

(iv) any trust of which any trustee, beneficiary or, if the trust is revocable, any settlor is a US Person;

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

(vi) any discretionary or non-discretionary account or similar account (other than an estate or trust) held by a dealer or fiduciary for the benefit or account of a resident of the US;

(vii) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised or incorporated in the US, or (if an individual) a resident of the US;

(viii) 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

(ix) any 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 or banking 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 jurisdiction, 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.

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1. The Company and its Structure

Scottish Widows Income and Growth Funds ICVC is an investment company with variable capital incorporated in Scotland and having its head office in Scotland under registered number IC000806 and authorised by the Financial Services Authority (which has since been succeeded by the Financial Conduct Authority) with effect from 31 March 2010.

The head office of the Company is at 15 Dalkeith Road, Edinburgh EH16 5WL, which is also 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). 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 which is structured as an umbrella so that the Scheme Property of the Company may be divided among two or more Funds. The assets of each Fund will be treated as separate from those of every other Fund and will be invested in accordance with the investment objective and investment policy applicable to that Fund. New Funds may be established from time to time by the ACD with the approval of the FCA and the agreement of the Depositary. If a new Fund is introduced, a new Prospectus will be prepared to set out the required information in relation to that Fund.

The Funds which have been established are:-

Cautious Growth Fund
Balanced Growth Fund
Progressive Growth Fund
Adventurous Growth Fund
Global Tactical Asset Allocation 1 Fund
Corporate Bond 1 Fund
Corporate Bond Tracker Fund
Corporate Bond PPF Fund
UK Index Linked Gilt Fund
Capital Protected Fund 19*
Capital Protected Fund 20*
Capital Protected Fund 21

*This Fund is in the process of being terminated.

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

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

Subject to the above, each Fund will be charged with the liabilities, expenses, costs and charges of the Company attributable to that Fund. Within the Funds, charges will be allocated between Classes in accordance with the terms of issue of Shares of those Classes. Any expenses specific to a Class will be allocated to that Class. Any assets, liabilities, expenses, costs or charges not attributable to a particular Class within a Fund or to a particular Fund (as the case may be) may be allocated by the ACD in a manner which is fair to the Shareholders generally but they will normally be allocated to all Classes within a Fund or all Funds (as the case may be) pro rata to their Net Asset Values. This paragraph will not apply to the **Protected Funds**; the liabilities (excluding counterparty risk described in paragraph 18 of section 12 (Risk Factors)), expenses, costs and charges of the Company attributable to those Funds will be borne by the ACD.

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

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

Shareholders are not liable for the debts of the Company. A Shareholder is not liable to make any further payment after he has paid the price of his shares in the Company and no further liability can be imposed on him in respect of the Shares which he holds.

The Prospectus is governed by Scots law and may be enforced in the Scottish courts in relation to claims made under them against parties domiciled in Scotland or such jurisdiction as otherwise determined in accordance with Council Regulation (EC) No 44/2001.

The courts of EEA States may apply any rule of that EEA State's own law which is mandatory irrespective of the governing law and may refuse to apply a rule of governing law if it is manifestly incompatible with the public policy of that EEA State. Further, where all other elements relevant to the situation at the time of the choice are located in a country other than the country whose law has been chosen, the choice of the parties shall not prejudice the application of provisions of the law of that other country which cannot be derogated from by agreement.

Shareholders should note that there are a number of legal instruments providing for the recognition and enforcement of foreign judgments in Scotland. Depending on the nature and jurisdiction of the original judgment, Council Regulation (EC) No 44/2001 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters, Regulation (EC) No 805/2004 of the European Parliament and of the Council of 21 April 2004 creating a European Enforcement Order for uncontested claims, the Convention on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters done at Lugano on 30 October 2007, the Administration of Justice Act 1920 and the Foreign Judgments (Reciprocal Enforcement) Act 1933 may apply. There are no legal instruments providing for the recognition and enforcement of judgments obtained in jurisdictions outside those covered by the instruments listed above, although such judgments might be enforceable at common law.

2. Management and Administration

Authorised Corporate Director and Alternative Investment Fund Manager

The authorised corporate director ("ACD") and alternative investment fund manager ("AIFM") of the Company is Scottish Widows Unit Trust Managers Limited (referred to hereafter 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 Scotland.

The registered office of the ACD is Charlton Place, Andover, Hampshire SP10 1RE and the head office of the ACD is 15 Dalkeith Road, Edinburgh EH16 5WL. The issued share capital of the ACD is 50,000 ordinary shares of £1 each all of which are fully paid up. Its principal business activity is acting as an authorised corporate director and AIFM to authorised open ended investment companies.

The ACD is an authorised person for the purposes of the Act to carry on the management of an authorised AIF in the United Kingdom and is authorised and regulated by the FCA.

The ACD is responsible for managing and administering the Company's affairs in compliance with the FCA Rules. The ACD may delegate investment management, administration and marketing functions in accordance with the AIFMD and the FCA Rules. Notwithstanding such delegation, the ACD remains responsible for any functions so delegated. At present certain functions are delegated as detailed below.

The appointment of the ACD has been made on the terms of the AIFM Agreement dated 22 July 2014 (as amended from time to time) between the Company and the ACD. The AIFM Agreement provides that the appointment of the ACD may be terminated (a) after a three year initial period by the Company giving 12 months' written notice to the ACD or (b) by the ACD giving 12 months' written notice to the Company, although in certain circumstances the AIFM 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 AIFM Agreement is governed by the laws of England and Wales and may be enforced by the Company and the ACD in the English courts.

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 AIFM Agreement. To the extent permitted by the OEIC Regulations and the FCA Rules, the AIFM 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 is authorised to enter into stocklending and repo transactions in relation to the Funds. The stocklending and repo arrangements are described in Appendix B. The arrangements in place by which the parties may receive a share of revenue (out of any gross lending income generated from a stocklending transaction) are set out in Part 7 below.

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

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 names of the directors of Scottish Widows Unit Trust Managers Limited, together with a note of any significant activities of the directors not connected with the business of the ACD, are set out in Appendix G.

Professional liability risk

The ACD has opted to maintain an appropriate level of "additional own funds" calculated in accordance with the AIFMD (or such lower amount as may be authorised by the FCA from time to time in accordance with the AIFMD) to cover professional liability risks.

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.

The registered office of the Depositary is 20 Churchill Place, Canary Wharf, London E14 5HJ. Its Head Office (and the address which should be used for correspondence) is Quartermile 3, 10 Nightingale Way, Edinburgh EH3 9EG. Its principal business activity is acting as trustee and depositary of collective investment schemes. The Depositary is an authorised person for the purposes of the Act and is authorised and regulated by the Financial Conduct Authority.

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.

The appointment of the Depositary was effected under the Depositary Agreement dated 22 July 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.

Conflicts of Interest

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

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

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

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

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

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

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

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

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

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

(1) conflicts from the sub-custodian selection and asset allocation among multiple sub-custodians influenced by (a) cost factors, including lowest fees charged, fee rebates or similar incentives and (b) broad two-way commercial relationships in which the Depositary may act based on the economic value of the broader relationship, in addition to objective evaluation criteria;

(2) sub-custodians, both affiliated and non-affiliated, act for other clients and in their own proprietary interest, which might conflict with clients' interests;

(3) sub-custodians, both affiliated and non-affiliated, have only indirect relationships with clients and look to the Depositary as its counterparty, which might create incentive for the Depositary to act in its self-interest, or other clients' interests to the detriment of clients; and

(4) sub-custodians may have market-based creditors' rights against client assets that they have an interest in enforcing if not paid for securities transactions.

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

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

The Fund Accountant

The Fund Accountant is State Street Bank & Trust Company ("SSBTC").

The Investment Adviser

Aberdeen Asset Investments Limited is the Investment Adviser of the Company, providing investment management and advice to the ACD. The registered office of Aberdeen Asset Investments Limited is Bow Bells House, 1 Bread Street, London, EC4M 9HH and its correspondence address is 40 Princes Street, Edinburgh, EH2 2BY[*]. Its principal business activity is investment management. The Investment Adviser is authorised and regulated by the Financial Conduct Authority.

The significant activities of the Investment Adviser, other than providing services to the Company as investment adviser, are providing investment management services to various clients including open-ended investment companies, unit trusts, investment trusts, insurance companies, pension funds, charities, local authorities, off-shore and specialist funds, together with providing marketing and administration services in connection with such investment management services.

The Investment Adviser has provided services in respect of the Company as an investment adviser since 28 June 2010. The Investment Adviser's services are currently provided pursuant to an Investment Management Agreement between the ACD and the Investment Adviser dated 31 March 2014 for an initial term of eight years. The Investment Management Agreement may be terminated by the Investment Adviser or the ACD giving twelve months' written notice to the other, in the case of the ACD giving notice the twelve months' notice period is not to expire before the end of the eight year initial term, and with immediate effect by the ACD where required to do so by the FCA Rules (which rules include a provision that the mandate must be withdrawn with immediate effect where it is in the interests of Shareholders to do so). The Investment Management Agreement is governed by the laws of England and Wales and may be enforced by the ACD in the English courts.

The Investment Adviser has responsibility for and full discretion in making all investment decisions in relation to each Fund subject to and in accordance with its investment objectives and policies and the instrument of incorporation of the Company (as may be varied from time to time). In addition to the Fund documentation, the Investment Adviser’s responsibility and discretion in making investment decisions will also be limited by the provisions of the instrument of incorporation, the FCA Rules and any specific directions or instructions given from time to time by the ACD (whether set out in the Investment Management Agreement or other agreed format). The ACD shall be responsible for any specific directions or instructions that it provides to the Investment Adviser. The ACD has given the Investment Adviser specific instructions in relation to the **Protected Funds**.

The Investment Adviser is in compliance with the UK Stewardship Code in the exercise of voting rights in the investments it holds in relation to the Funds on behalf of the ACD. Details of the Stewardship Policy are available from the Investment Adviser.

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 rate card agreed from time to time between the Investment Adviser and the ACD. Those fees will be paid by the ACD and will not be charged to the Company.

The Investment Adviser is authorised to enter into fee sharing arrangements with third parties.

[*] Important Note: The Investment Adviser changes its name on 24 November 2014 from Scottish Widows Investment Partnership Limited, which was acquired by Aberdeen Asset Management PLC on 31 March 2014. Prior to this acquisition, the Investment Adviser was in the same group of companies as the ACD.

Registrar

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

The Register 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.

Transfer Agency and other Administration Services

The ACD has, under an administration services agreement, appointed Diligenta to provide the services of a transfer agent. Diligenta is a UK-based subsidiary of Tata Consultancy Services (TCS) and is authorised and regulated by the FCA (firm reference number (438831). The services undertaken by Diligenta include the processing of applications for buying and selling Shares, the servicing of certain investor requests and other administration services relating to the Company.

Additionally, the ACD has delegated certain other administration functions to Scottish Widows Administration Services Limited and Scottish Widows Services Limited.

The administration address is SWUTM Administration, P.O. Box 28015, 15 Dalkeith Road, Edinburgh, EH16 5WL.

Marketing

The drawing up and distribution of marketing literature is not outsourced to a third party and is carried out by Scottish Widows marketing department (part of Scottish Widows Services Limited, a Group company).

Auditors

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

Custodian

The Depositary has delegated the custody of the assets of the **Growth Funds** and the **Protected Funds** and the **Global Tactical Asset Allocation 1 Fund, Corporate Bond 1 Fund, Corporate Bond Tracker Fund, Corporate Bond PPF Fund and UK Index Linked Gilt Fund** to SSBTC.

These arrangements prohibit SSBTC (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.

Valuation and pricing

The ACD is responsible for the proper and independent valuation of the Scheme Property and the calculation of the Net Asset Value.

The ACD has policies in place to ensure that all Share and Fund prices are calculated accurately, fairly and in a timely manner, and consistently facilitate the fair treatment of all Shareholders. The method of calculation for the price of Shares and the Net Asset Value of the Company or each Fund is described in Section 5 "Pricing of Shares" and Appendix C "Determination of Net Asset Value".

Conflicts of Duty or Interest

The ACD, other companies within the Lloyds Banking Group and the Investment Adviser may, from time to time, act as investment managers or advisers to other collective investment schemes (or sub-funds thereof), which follow similar investment objectives, policies or strategies to those of the Company or the Funds. It is therefore possible that the ACD and/or the Investment Adviser may in the course of its business have potential conflicts of duty or interest with the Company or a particular Fund. The ACD and other companies within the Lloyds Banking Group and the Investment Adviser maintain and operate effective organisational and administrative arrangements with a view to taking all reasonable steps to prevent conflicts of interest as detailed in the FCA Handbook from constituting or giving rise to a material risk of damage to the interests of its clients.

Each of the ACD and the Investment Adviser will have regard in such event to its obligations under the AIFM Agreement and the Investment Management Agreement respectively and, in particular, to its obligation to act in the best interests of the Company so far as practicable, having regard to its obligations to other clients when undertaking any investment where potential conflicts of interest may arise.

Further details relating to the ACD's conflicts of interest policy are available by contacting the ACD.

Best Execution and Client Order Handling

The ACD is required to ensure Shareholders' best interests are served when it, or the Investment Adviser, executes decisions to deal in the context of portfolio management or places orders to deal with securities dealings firms. The Investment Adviser on behalf of the ACD monitors the quality of the execution and client order handling arrangements they maintain with the brokers they use and promptly make any changes where they identify a need to do so. Further details relating to the ACD's policy are available by contacting the ACD.

Shareholders' rights

As set out in this Section 2, the ACD is reliant on the performance of service providers, including the Investment Adviser, the Depositary and the Auditor, and those entities providing marketing and administration services (the "Service Providers").

No Shareholder will have any direct contractual claim against any Service Provider with respect to such Service Provider's default. This is without prejudice to any right a Shareholder may have to bring a claim against an FCA authorised Service Provider or the ACD under Section 138D of the Financial Services and Markets Act 2000 (which provides that breach of an FCA rule by such Service Provider or the ACD is actionable by a private person who suffers loss as a result), or any tortious or contractual cause of action. Shareholders who believe they may have a claim under Section 138D of the Financial Services and Markets Act 2000, or in tort or contract, against any Service Provider or the ACD in connection with their investment in a Fund, should consult their legal adviser.

Shareholders who are "Eligible Complainants" for the purposes of the FCA "Dispute Resolutions Complaints" rules (natural persons, micro-enterprises and certain charities or trustees of a trust) are able to refer any complaints against the ACD to the Financial Ombudsman Service ("FOS") (further details of which are available at www.financial-ombudsman.org.uk).

Additionally, Shareholders may be eligible for compensation under the Financial Services Compensation Scheme ("FSCS") if they have claims against the ACD or another FCA authorised Service Provider (including the Investment Adviser) which is in default. There are limits on the amount of compensation available. Further information about the FSCS is at www.fscs.org.uk. To determine eligibility in relation to either the FOS or the FSCS, Shareholders should consult the respective websites above and speak to their legal advisers.

3. Investment Objectives and Policies of the Funds

Investment of the assets of each Fund must be in accordance with the investment objective and policy of the relevant Fund and must comply with the investment restrictions and requirements set out in the FCA Rules. Details of the investment objectives and policies are set out in Appendix D in respect of each Fund and the eligible securities and derivatives markets through which the Funds may invest are set out in Appendix A. A summary of the current general investment and borrowing restrictions and the extent to which the Company may invest in derivatives is set out in Appendix B. Such investment in derivatives is not intended to increase the risk profile of the Funds. Any change to the investment objective and policy of a Fund shall be notified to Shareholders according to the nature of the proposed change as described in Section 10 "Notifying Shareholders of Changes".

With the exception of the **Protected Funds**, it is intended that each Fund will normally remain fully invested, however, the Investment Adviser will, subject to the AIFMD and the FCA Rules, increase the level of liquidity of any Fund in the short term where it considers that market conditions so require. The **Protected Funds** may invest principally in deposits, cash or near cash during the following periods:

- from the start of the Cash Investment Period until the Derivative Date; and
- during the Redemption Period.

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) for the direct pursuit of the Company's business.

4. Shares and Classes

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

The Growth Funds and (in respect of Class X only) Global Tactical Asset Allocation 1 Fund, Corporate Bond 1 Fund, Corporate Bond Tracker Fund, Corporate Bond PPF Fund and UK Index Linked Gilt Fund

Class D net accumulation shares
Class D net income shares
Class D gross accumulation shares
Class D gross income shares
(together "Class D Share Classes")

All Class D Share Classes share the following features:-

- designated in Sterling.
- Class D Share Class Shares which are acquired as a result of Qualifying Contributions will be automatically switched to Class E Share Class Shares of the same sub-fund (or any successor thereof) on a date at the ACD's discretion if a Shareholder's Qualifying Contributions increase to £25,000 or more but less than £75,000 as a result of additional Qualifying Contributions made by the Shareholder, rather than any increase in the value of the Shares acquired by a Shareholder as a result of Qualifying Contributions due to market movements.

- Class D Share Class Shares which are acquired as a result of Qualifying Contributions will be automatically switched to Class F Share Class Shares of the same sub-fund (or any successor thereof) on a date at the ACD’s discretion if a Shareholder’s Qualifying Contributions increase to £75,000 or more as a result of additional Qualifying Contributions made by the Shareholder, rather than any increase in the value of the Shares acquired by a Shareholder as a result of Qualifying Contributions due to market movements.

Note: Subject to the relevant subscription conditions, following an Automatic Switch into Class E Share Class Shares or Class F Share Class Shares, as appropriate, all subsequent Qualifying Contributions(other than New ISA Subscriptions) made by the Shareholder to the **Growth Funds** and any reinvestment of income arising from the Shares resulting from such Automatic Switch, will be into Class E Share Class Shares or Class F Share Class Shares, as appropriate, and not Class D Share Class Shares.

Examples of how such automatic switching provisions will operate are set out below.

Class E net accumulation shares
Class E net income shares
Class E gross accumulation shares
Class E gross income shares
(together "Class E Share Classes")

All Class E Share Classes share the following features:-

- designated in Sterling.
- not available to any person other than:-
  (a) persons who have made Qualifying Contributions of £25,000 or more but less than £75,000; or
  (b) persons, not being 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.

- will be automatically switched to Class F Share Class Shares of the same sub-fund (or any successor thereof) on a date at the ACD’s discretion if a Shareholder’s Qualifying Contributions increase to £75,000 or more as a result of additional Qualifying Contributions made by the Shareholder, rather than any increase in the value of the Shares acquired by a Shareholder as a result of Qualifying Contributions due to market movements.

- will be automatically switched to Class D Share Class Shares of the same sub-fund (or any successor thereof) on a date at the ACD’s discretion if a Shareholder’s Qualifying Contributions decrease to less than £25,000 as a result of the redemption of Shares, rather than any decrease in the value of the Shares acquired by a Shareholder as a result of Qualifying Contributions due to market movements.

  Note: Subject to the relevant subscription conditions, following an Automatic Switch into Class D Share Class Shares or Class F Share Class Shares, as appropriate, all subsequent Qualifying Contributions (other than New ISA Subscriptions)made by the Shareholder to the **Growth Funds** and any reinvestment of income arising from the Shares resulting from such Automatic Switch, will be into Class D Share Class Shares or Class F Share Class Shares, as appropriate, and not Class E Share Class Shares.

  Examples of how such automatic switching provisions will operate are set out below.

Class F net accumulation shares
Class F net income shares
Class F gross accumulation shares
Class F gross income shares
(together "Class F Share Classes")

All Class F Share Classes share the following features:-

- designated in Sterling.
- not available to any person other than:-
  (a) persons who have made Qualifying Contributions of £75,000 or more; or
  (b) persons, not being 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.

- will be automatically switched to Class E Share Class Shares of the same sub-fund (or any successor thereof) on a date at the ACD's discretion if a Shareholder's Qualifying Contributions decrease to less than £75,000 but not less than £25,000 as a result of the redemption of Shares, rather than any decrease in the value of the Shares acquired by a Shareholder as a result of Qualifying Contributions due to market movements.

- will be automatically switched to Class D Share Class Shares of the same sub-fund (or any successor thereof) on a date at the ACD's discretion if a Shareholder's Qualifying Contributions decrease to less than £25,000 as a result of the redemption of Shares, rather than any decrease in the value of the Shares acquired by a Shareholder as a result of Qualifying Contributions due to market movements.

  Note: Subject to the relevant subscription conditions, following an Automatic Switch into Class D Share Class Shares or Class E Share Class Shares, as appropriate, all subsequent Qualifying Contributions (other than New ISA Subscriptions) made by the Shareholder to the **Growth Funds** and any reinvestment of income arising from the Shares resulting from such Automatic Switch, will be into Class D Share Class Shares or Class E Share Class Shares, as appropriate, and not Class F Share Class Shares.

  Examples of how such automatic switching provisions will operate are set out below.

Class P net accumulation shares
Class P net income shares
Class P gross accumulation shares
Class P gross income shares
(together "Class P Share Classes")

All Class P Share Classes share the following features:-

- designated in Sterling.
  - not available to any person other than:-

  (a) persons who are making New ISA Subscriptions and/or Non ISA Subscriptions; or
  (b) persons, not being of the type referred to in the preceding paragraph (a) to whom the ACD at its entire discretion has determined that such Shares may be made available.

  - Class P Share Class Shares which are acquired as a result of New ISA Subscriptions will be automatically switched to Class Q Share Class Shares of the same sub-fund (or any successor thereof) on a date at the ACD's discretion if a Shareholder's Qualifying Contributions increase to £25,000 or more but less than £75,000 as a result of additional Qualifying Contributions made by the Shareholder, rather than any increase in the value of the Shares acquired by a Shareholder as a result of Qualifying Contributions due to market movements.

  - Class P Share Class Shares which are acquired as a result of Qualifying Contributions will be automatically switched to Class R Share Class Shares of the same sub-fund (or any successor thereof) on a date at the ACD's discretion if a Shareholder's Qualifying Contributions increase to £75,000 or more as a result of additional Qualifying Contributions made by the Shareholder, rather than any increase in the value of the Shares acquired by a Shareholder as a result of Qualifying Contributions due to market movements.

Note: Subject to the relevant subscription conditions, following an Automatic Switch into Class Q Share Class Shares or Class R Share Class Shares, as appropriate, all subsequent New ISA Subscriptions made by the Shareholder to the **Growth Funds** and any reinvestment of income arising from the Shares resulting from such Automatic Switch, will be into Class Q Share Class Shares or Class R Share Class Shares, as appropriate, and not Class P Share Class Shares.

Examples of how such automatic switching provisions will operate are set out below.

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

All Class Q Share Classes share the following features:-

- designated in Sterling.
- not available to any person other than:-
  (a) persons who are making New ISA Subscriptions who have made Qualifying Contributions of £25,000 or more but less
  than £75,000; or
  (b) persons, not being 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.

- will be automatically switched to Class R Share Class Shares of the same sub-fund (or any successor thereof) on a date at the ACD's discretion if a Shareholder's Qualifying Contributions increase to £75,000 or more as a result of additional Qualifying Contributions made by the Shareholder, rather than any increase in the value of the Shares acquired by a Shareholder as a result of Qualifying Contributions due to market movements.

- will be automatically switched to Class P Share Class Shares of the same sub-fund (or any successor thereof) on a date at the ACD's discretion if a Shareholder's Qualifying Contributions decrease to less than £25,000 as a result of the redemption of Shares, rather than any decrease in the value of the Shares acquired by a Shareholder as a result of Qualifying Contributions due to market movements.

Note: Subject to the relevant subscription conditions, following an Automatic Switch into Class P Share Class Shares or Class R Share Class Shares, as appropriate, all subsequent New ISA Subscriptions made by the Shareholder to the **Growth Funds** and any reinvestment of income arising from the Shares resulting from such Automatic Switch, will be into Class P Share Class Shares or Class R Share Class Shares, as appropriate, and not Class Q Share Class Shares.

Examples of how such automatic switching provisions will operate are set out below.

Class R net accumulation shares
Class R net income shares
Class R gross accumulation shares
Class R gross income shares
(together "Class R Share Classes")

All Class R Share Classes share the following features:-

- designated in Sterling.
- not available to any person other than:-
  (a) persons who are making New ISA Subscriptions who have made Qualifying Contributions of £75,000 or more; or

(b) persons, not being 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.

- will be automatically switched to Class Q Share Class Shares of the same sub-fund (or any successor thereof) on a date at the ACD's discretion if a Shareholder's Qualifying Contributions decrease to less than £75,000 but not less than £25,000 as a result of the redemption of Shares, rather than any decrease in the value of the Shares acquired by a Shareholder as a result of Qualifying Contributions due to market movements.

- will be automatically switched to Class P Share Class Shares of the same sub-fund (or any successor thereof) on a date at the ACD's discretion if a Shareholder's Qualifying Contributions decrease to less than £25,000 as a result of the redemption of Shares, rather than any decrease in the value of the Shares acquired by a Shareholder as a result of Qualifying Contributions due to market movements.

Note: Subject to the relevant subscription conditions, following an Automatic Switch into Class P Share Class Shares or Class Q Share Class Shares, as appropriate, all subsequent New ISA Subscriptions made by the Shareholder to the **Growth Funds** and any reinvestment of income arising from the Shares resulting from such Automatic Switch, will be into Class P Share Class Shares or Class Q Share Class Shares, as appropriate, and not Class R Share Class Shares.

Examples of how such automatic switching provisions will operate are set out below.

Examples of automatic switching

Class Promotion

Original investment amount made prior to 20 February 2017 gross of charges	Net amount invested after deduction of preliminary charge	Qualifying Contribution	New ISA Subscription	Total Qualifying Contribution	Effect on Class for original investment	Class for New ISA Subscription
£15,000	£14,700	£15,000 Class D at 1.5% AMC	£30,000	£45,000	Moves to Class E at 1.25% AMC	£30,000 Class Q at 0.75% AMC
£15,000	£14,700	£15,000 Class D at 1.5% AMC	£65,000	£80,000	Moves to Class F at 1.00% AMC	£65,000 Class R at 0.50% AMC

Original investment amount made post 20 February 2017	Net amount invested	Qualifying Contribution	New ISA Subscription	Total Qualifying Contribution	Effect on Class for original investment	Class for New ISA Subscription
£15,000	£15,000	£15,000 Class P at 1.0% AMC	£30,000	£45,000	Moves to Class Q at 0.75% AMC	£30,000 Class Q at 0.75% AMC

Class Demotion

Original Investment made prior to 20 February 2017 amount gross of charges	Net amount invested after deduction of preliminary charge	Qualifying Contribution	Amount withdrawn	Remaining Qualifying Contribution	Effect on Class
£80,000	£78,400	£80,000 Class F at 1.0% AMC	£40,000	£40,000	Moves to Class E at 1.25% AMC
£80,000	£78,400	£80,000 Class F at 1.0% AMC	£60,000	£20,000	Moves to Class D at 1.5% AMC

Class Demotion with a New ISA Subscription

Original investment amount made prior to 20 February 2017 gross of charges	Net amount invested after deduction of preliminary charge	Qualifying Contribution	Amount withdrawn	New ISA Subscription made after the withdrawal	Remaining Qualifying Contribution	Effect on Class for original investment	Class for New ISA Subscription
£80,000	£78,400	£80,000 Class F at 1.0% AMC	£40,000	£10,000	£50,000	Moves to Class E 1.25% AMC	£10,000 Class Q at 0.75% AMC
£80,000	£78,400	£80,000 Class F at 1.0% AMC	£60,000	£4,000	£24,000	Moves to Class D 1.5% AMC	£4,000 Class P at 1% AMC

Withdrawal which does not alter Class

Original investment amount made prior to 20 February 2017 gross of charges	Net amount invested after deduction of preliminary charge	Qualifying Contribution	Value of investment after 2.5 years	Amount withdrawn after 2.5 years	Redemption Charge (see Section 6)	Remaining investment value	Remaining Qualifying Contribution	Effect on Class
£30,000	£29,400	£30,000 Class E at 1.25% AMC	£20,000	£5,000	£50.51	£14,949.49	£25,000	Remains in Class E
£30,000	£29,400	£30,000 Class E at 1.25% AMC	£30,000	£5,000	£50.51	£24,949.49	£25,000	Remains in Class E
£30,000	£29,400	£30,000 Class E at 1.25% AMC	£40,000	£5,000	£50.51	£34,949.49	£25,000	Remains in Class E

Original investment amount made after 20 February 2017	Net amount invested	Qualifying Contribution	Value of investment after 2.5 years	Amount withdrawn after 2.5 years	Redemption Charge (see Section 6)	Remaining investment value	Remaining Qualifying Contribution	Effect on Class
£30,000	£30,000	£30,000 Class Q at 0.75% AMC	£20,000	£5,000	£50.51	£14,949.49	£25,000	Remains in Class Q
£30,000	£30,000	£30,000 Class Q at 0.75% AMC	£30,000	£5,000	£50.51	£24,949.49	£25,000	Remains in Class Q
£30,000	£30,000	£30,000 Class Q at 0.75% AMC	£40,000	£5,000	£50.51	£34,949.49	£25,000	Remains in Class Q

Class X net accumulation shares
Class X net income shares
Class X gross accumulation shares (in respect only of **Cautious Growth Fund, Corporate Bond 1 Fund, Corporate Bond Tracker Fund, Corporate Bond PPF Fund and UK Index Linked Gilt Fund**)
(together "Class X Share Classes")

All Class X Share Classes share the following features:-

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

Class W net accumulation shares
Class W net income shares
Class W gross accumulation shares (in respect only of **Corporate Bond 1 Fund, Corporate Bond Tracker Fund, Corporate Bond PPF Fund and UK Index Linked Gilt Fund**)
(together "Class W Share Classes")

All Class W Share Classes share the following features:-

- designated in Sterling; and
- not available to any person other than:-
  - (a) a company which is in the Group; 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.

Protected Funds

Class M net accumulation shares
("Class M Share Class")

The Class M Share Class has the following features:-

- designated in sterling; and
- limited issue Shares. The limitation on issue is that Shares in the Protected Funds may only be issued in the Cash Investment Period. Subject to the FCA Rules, the ACD may, in its absolute discretion, cease issuing Shares before the end of the Cash Investment Period to prevent the total value of Shares in issue exceeding the Issue Limit or as the ACD shall otherwise decide provided that existing Shareholders are not materially prejudiced as a result. The ACD also has the right not to issue any new Shares, nor to sell Shares which it holds for its own account during the Cash Investment Period. The ACD also has the right to make further issues of Class M Shares provided that at the time of issue the ACD is satisfied on reasonable grounds that the proceeds of that subsequent issue can be invested without compromising the Fund's investment objective or materially prejudicing existing Shareholders.

  The ACD may not sell any Shares of this Class which could not be issued in accordance with the above limitation on issue. This is without prejudice to the ability of the ACD to sell shares which it holds for its own account as a result either of a redemption of Shares or an issue of Shares to the ACD when shares were available for issue.

Gross classes of shares (where available) may only be held by investors who are permitted in accordance with UK tax law to receive income from the Fund without deduction of any UK income tax.

Appendix D contains a description of the Classes currently available (or currently intended to be made available at a later date) in respect of each of the Funds. 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 and the AIFMD. If a new Class of Share is introduced, a new Prospectus will be prepared to set out the required information in relation to that class.

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

A net income Share is one where income is distributed periodically to Shareholders net of any tax deducted or accounted for by the Fund. A net accumulation Share is one in respect of which income (net of any tax deducted or accounted for by the Fund) is credited periodically to capital within the relevant Fund. A gross income Share (if available) is one in respect of which income is distributed periodically to shareholders but, in accordance with UK tax law, is distributed without deduction by the Fund of any UK basic rate income tax. A gross accumulation Share (if available) is one in respect of which income is credited periodically to capital within the relevant Fund but, in accordance with UK tax law, is credited without deduction by the 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 Fund are entitled to be paid the income of that Fund which is attributed to such Shares on the relevant interim and annual allocation dates. Holders of accumulation Shares are not entitled to be paid the income attributable to such Shares, but that income is automatically added to (and retained as part of) the capital assets of the relevant Fund on the relevant interim and/or annual allocation dates.

Shareholders are entitled (subject to certain restrictions) to Switch all or part of their Shares of one Class for Shares of another Class in respect of the same Fund or to Switch all or part of their Shares in relation to one Fund for Shares in relation to a different Fund. Details of this Switching facility and the restrictions are set out below under "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 and subject to such conditions as the ACD may from time to time decide.

5. Pricing of Shares

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

- taking the proportion attributable to the Shares of the Class concerned of the Net Asset Value of the relevant Fund as at the relevant valuation point of that Fund;
- dividing the result by the number of Shares of the relevant Class in issue immediately before the valuation point concerned; and
- increasing or decreasing the result by any dilution adjustment determined by the ACD (as described on pages 32 & 33).

The Net Asset Value of the **Growth Funds** and the **Global Tactical Asset Allocation 1 Fund, Corporate Bond 1 Fund, Corporate Bond Tracker Fund, Corporate Bond PPF Fund and UK Index Linked Gilt Fund** will be calculated at the valuation point (being 8.00 am) on each Dealing Day in respect of these Funds.

In respect of the **Protected Funds** the Net Asset Value will be calculated during a Growth Potential Period as at the valuation point (being 2.00 pm) on the day nominated below of every week (or, if the relevant day is not a Dealing Day, the next Dealing Day).

Capital Protected Fund Number	Nominated day
21	Wednesday
19*	Thursday
20*	Friday

*This Fund is in the process of being terminated.

In respect of each Protected Fund, the first calculation of the Net Asset Value following the end of a Growth Potential Period shall be 2.00pm as at the first Friday following the relevant Protection Date.

At all other times in respect of the **Protected Funds,** up to and including the Derivative Date, the Net Asset Value will be calculated as at the valuation point (being 2.00 pm) on each Dealing Day.

The ACD may at any time carry out an additional valuation if the ACD considers it desirable to do so. There will only be a single price for any share as determined from time to time by reference to the valuation point.

In the event that, for any reason, the ACD is unable to calculate the Net Asset Value of any Fund at the normal time, the prices effective from that time will be calculated using the earliest available valuation thereafter.

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

Shares of each Class in relation to each 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 agreed.

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 above, any preliminary charge, and any SDRT provision. 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 and any SDRT provision.

Information regarding the preliminary charge, redemption charge, dilution adjustment and SDRT provision is set out below under "Dealing Charges, Dilution Adjustment and SDRT" in Part 6 below.

The prices of each Class of Share (except the Class X Share Class) in relation to each Fund are 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 and the AIFMD. Prices of all Share Classes are also available daily by telephoning the ACD on 0845 845 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, Switching of Shares and Other Dealing Information

The ACD has a Liquidity Management Policy designed to monitor the liquidity risk of each Fund and ensure that its investment strategy and liquidity profile allows the Fund to meet its daily redemption obligations.

The long reports published in accordance with Section 8 of this Prospectus will (as applicable) include details of any Scheme Property that is subject to any special arrangements arising from its illiquid nature, along with information regarding any new arrangements for managing the liquidity of the Company or the Funds.

The dealing office of the ACD is open from 9.00 am. until 5.00 pm. (UK time) on each Dealing Day in respect of a Fund to receive requests for the sale, redemption 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. In relation to the **Protected Funds** the ACD has imposed a cut-off point of 12.00 noon for postal or other written instructions and 1.59 pm. for telephone instructions. In relation to the **Growth Funds** and the **Global Tactical Asset Allocation 1 Fund, Corporate Bond 1 Fund, Corporate Bond Tracker Fund, Corporate Bond PPF Fund and UK Index Linked Gilt Fund** the ACD has imposed a cut-off point of 5 p.m. on the previous Dealing Day for all instructions.

In relation to the **Protected Funds**, this means that during a Cash Investment Period, when the share price is calculated each Dealing Day, postal or other written requests for the sale, redemption and Switching of Shares must be received by 12.00 noon (or 1.59 pm. in the case of telephone instructions) to receive the price calculated on that day. During a Cash Investment Period, postal or other written instructions in relation to the **Protected Funds** received after 12.00 noon (or 1.59 pm in the case of telephone instructions) will receive the next price calculated. During a Growth Potential Period, when the share price is calculated weekly, postal or other written requests for the redemption and Switching of Shares must be received by the 12.00 noon (1.59 pm in the case of telephone instructions) cut off point on the day nominated for calculation of Net Asset Value described in Section 5 of this Prospectus (if that day is a Dealing Day) in order to receive the Share price calculated on that day, and instructions received after the cut-off point will receive the next price calculated.

Shares may not be issued other than to a person who is resident in the UK (unless the ACD agrees otherwise) and who shall, to the ACD, (a) represent that they are not a US Person and are not purchasing the Shares for the account or benefit of a US Person and (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 or benefit of a US Person.

Sale of Shares

Shares can be bought either by sending a completed application form to the ACD at 15 Dalkeith Road, Edinburgh EH16 5WL, or by telephoning the ACD on 0845 845 0066 or through approved electronic dealing platforms available to certain types of investor. Application forms may be obtained from the ACD or an authorised representative of Lloyds Banking Group. The ACD may in future introduce further facilities to apply for Shares on-line.

In relation to the **Protected Funds** Shares are only available for purchase during a Cash Investment Period. Details of the terms of the Cash Investment Period are (where available) set out in Appendix D. An application for Shares received after the end of a Cash Investment Period will (unless the ACD otherwise determines) result in the ACD declining the application. An application for Shares received before the end of a Cash Investment Period may also result in the ACD declining the application (the ACD may do this where, for example, to accept the application would cause the Issue Limit to be breached). Details of the Issue Limit are (where available) set out in Appendix D. In accordance with the FCA Rules, The ACD has the right to make further issues of Class M shares in a Protected Fund provided that at the time of the issue, the ACD is satisfied on reasonable grounds that the proceeds of that subsequent issue can be invested without compromising the relevant Fund's investment objective or materially prejudicing existing Shareholders.

The ACD has the right to reject, on reasonable grounds relating to the circumstances of the applicant, any application for Shares in whole or part and in this event the ACD will return any 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.

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 as at the time of the valuation of the periodic statement. Individual statements of a Shareholder's Shares will also be issued at any time on request from the registered Shareholder.

Details of the minimum initial lump sum investment in each Class of each Fund and the minimum amount of any lump sum addition to a holding of the same Fund as the initial lump sum investment 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. These minimum limits are modified where there is a regular savings arrangement (in respect of which see below). If the value of a Shareholder's holding of Shares of a Class falls below the minimum holding (which is set out in Appendix D in respect of each Fund), his entire holding in that Class may be redeemed compulsorily by the ACD.

Market Timing

The ACD may refuse to accept applications for subscriptions or switches of Shares in a Fund which it knows or in its absolute discretion considers to be associated with market timing activities.

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

Such market timing activities are disruptive to fund management, may lead to additional dealing charges which cause losses/dilution to a Fund and may be detrimental to performance and to the interests of long term Shareholders.

Accordingly, the ACD may in its absolute discretion reject any application for subscription or switching of Shares from applicants that it considers to be associated with market timing activities.

Cancellation Rights

An investor entering into a contract to purchase Shares from the ACD does not have any rights of cancellation, unless the contract was arranged via a Lloyds Banking Group authorised representative, Scottish Widows direct sales adviser or 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. In relation to the **Protected Funds** investors may have a 14 day option to cancel the investment. This is so that any changes to shareholdings resulting from cancellation are kept to a minimum and the total fund value of the relevant Fund adjusted accordingly before derivatives assets are bought.

Investors opting to cancel are likely to receive less than their original investment if the Share price has fallen subsequent to their initial purchase. If the Share price has risen subsequent to their initial purchase the most an investor can get back is their original investment amount.

Regular Savings

Monthly contributions of £150 or more (unless the ACD agrees otherwise) are payable under regular savings arrangements operated by the ACD in respect of certain Classes of Share within certain Funds (as specified below) by direct debit each month and, subject to the minimum monthly contribution of £150 per Class per month (and a minimum increase to those monthly contributions of not less than £10 per Class per month), can be varied or terminated at any time by the investor notifying the ACD.

However, the ACD reserves the right on termination of the arrangements or cessation of monthly contributions for any reason other than termination of the arrangements to repurchase the Shares held under the arrangements, if the then total value of such Shares is less than the minimum holding specified in Appendix D in respect of the relevant Class of Shares. The ACD may, at its absolute discretion, accept monthly contributions lower than the minima stated above. An additional lump sum contribution of no less than the "Minimum Subsequent Investment" figure set out in Appendix D in respect of the relevant Class may be made at any time.

Shares under a regular savings arrangement will be purchased (on a forward price basis) on the day on which the direct debit is collected. Where this falls on a Saturday, Sunday, public holiday or other non-Dealing Day or any other day on which the Net Asset Value of the Fund is not calculated, the price will be the next price calculated on the first working day thereafter. Twice every year, a statement detailing contributions and new Shares allocated will be sent to all investors under such a regular savings arrangement. Further, every year (but not necessarily at the same time as the Statement referred to in the foregoing sentence), a tax certificate detailing allocations of income will be sent to all Shareholders under such a regular savings arrangement.

In respect of the **Growth Funds** (except the **Cautious Growth Fund**) Classes D, E and F net accumulation shares are available for regular savings arrangements. In respect of the **Cautious Growth Fund,** Classes D, E and F gross accumulation shares are available for regular savings arrangements. Classes P, Q and R are only available for (a) regular savings arrangements which commence on or after 20 February 2017, including any subsequent increases made to them; and (b) increases which are made on or after 20 February 2017 to any regular savings arrangements in existence prior to 20 February 2017.

Example of share classes and automatic switching for Regular Savings Arrangements

Class Promotion

Original investment amount per month gross of charges	**Total Amount invested years gross of charges**	**Net amount invested after deduction of preliminary charge**	**Qualifying Contribution**	**New ISA Subscription**	**Updated Qualifying Contribution**	**Effect on Class for original regular savings arrangement**	**Class for New ISA Subscription**
£100 Started prior to 20 February 2017	£12,000 **after 10 years**	£11,760	£12,000Class D at 1.5% AMC	£10,000 Lump sum	£22,000	Remains in Class D at 1.5% AMC	£10,000 Class P at 1.00% AMC
£100	£12,000	£11,760	£12,000Class	£50 per		Remains in Class	Class P

Started prior to 20 February 2017	**after 10 years**		D at 1.5% AMC	month started post 20 February 2017 (assumed 5 years contributions made	£21,000 (15 years of £100 per month plus 5 years of £50 per month)	D at 1.5% AMC	at 1.00% AMC
£200 Started post 20.February 2017	£12,000 **after 5 years**	N/A	£12,000Class P at 1.0% AMC	£300 per month started post 20 February 2017 (assumed 5 years contributions made)	£42,000 (10 years of £200 per month plus 5 years of £300 per month)	Moves to Class Q at 0.75% AMC once Qualifying Contributions reach £25,000, not at the start of the investment.	Moves to Class Q at 0.75% AMC once Qualifying Contributions reach £25,000, not at the start of the investment.

The preceding paragraphs give only a brief summary of the regular savings arrangements offered by the ACD. Further details and an application form are available from the ACD on request.

Regular savings arrangements are not available in respect of the **Protected Funds, Global Tactical Asset Allocation 1 Fund, Corporate Bond 1 Fund, Corporate Bond Tracker Fund, Corporate Bond PPF Fund and UK Index Linked Gilt Fund**.

Redemption of Shares

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

Requests to redeem Shares must be made to the ACD 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 and must specify the value or number and Class of the Shares to be redeemed and the Fund to which they relate, or by telephone on 0845 845 0066 (in which case the identification procedures and controls required by the ACD from time to time must be satisfied) or through approved electronic dealing platforms available to certain types of investor.). The ACD may in future introduce further facilities to request the redemption of Shares on-line.

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

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

Payment of the redemption monies will be made:-

(a) in the case of a written redemption request, within four business days after the later of (1) receipt by the ACD of the written redemption request and (2) 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 the telephone conversation or electronic message and confirmation from the ACD that payment monies will be released.

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 dispatch of any redemption proceeds to the shareholder. Until this 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.

The ACD will attempt to contact the Shareholder(s) to keep them informed of any additional information requirements by either telephone, email, text message or in writing.

Payment will be made by cheque or by direct credit via the BACS system.

The ACD will advise the Shareholder via text message, email or telephone call if there is a change in the timescale for payment of monies as was notified to the Shareholder by the ACD at the time of the redemption request.

In relation to each Protected Fund, the ACD will write to relevant Shareholders and other investors whose Shares are held on their behalf by the ACD at least 3 months before the relevant Protection Date ("CPF Termination Letter"). The terms of each CPF Termination Letter will set out how payment of the redemption monies will be made following the relevant Protection Date.

Shareholders should note that in relation to each Protected Fund any form of redemption of Shares in whole or in part in these Funds would, before the Protection Date, result in them losing protection in relation to those Shares that are redeemed. The Capital Protected Price will only be paid in relation to those Shares held on the Protection Date.

Please note that there may also be a charge on redemption (as described under "Redemption Charge" below).

Deferred Redemption

In respect of the **Growth Funds** and the **Global Tactical Asset Allocation 1 Fund, Corporate Bond 1 Fund, Corporate Bond Tracker Fund, Corporate Bond PPF Fund and UK Index Linked Gilt Fund** in times of high redemption, to protect the interests of continuing Shareholders, the ACD may defer redemptions at a particular valuation point to the next valuation point where requested redemptions exceed 10% of the relevant Fund's value. This will allow the ACD to match the sale of scheme property to the level of redemption, thereby reducing the impact of dilution. Requests for redemption in these circumstances will be treated on a pro rata basis to ensure the consistent treatment of all Shareholders. At the next valuation point all deals relating to an earlier valuation point will be completed before those relating to the later valuation point are considered.

Switching

A holder of Shares may, subject to the satisfaction of any relevant eligibility criteria and as mentioned below in respect of the **Protected Funds**, at any time Switch all or some of those Shares (the

"Original Shares") for Shares of the same Class in relation to another Fund (in either case, the "New Shares"). No Switch will be effected during any period when the right of Shareholders to require the redemption of their Shares is suspended.

Switching requests must be made to the ACD in writing sent to the ACD at 15 Dalkeith Road, Edinburgh EH16 5WL and must specify (1) the value or number and Class of the Original Shares to be Switched, (2) the Fund to which the Original Shares relate and (3) the Class of the New Shares and the Fund to which they relate or by telephone on 0845 845 0066 (in which case the identification procedures and controls required by the ACD from time to time must be satisfied). Switching requests made by telephone must be confirmed in writing sent to the ACD at the address stated in this paragraph. Switching forms, where available, 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 holders) 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 future introduce the facility to request a Switch on-line.

Subject as mentioned above, a Switch will be effected as at the valuation point next 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 as at such other valuation point as the ACD may agree at the request of the Shareholder. Where the Switch is between Shares of Funds that have different valuation points, the cancellation or redemption of the Original Shares shall take place at the next valuation point of the Fund to which the Original Shares relate following receipt (or deemed receipt) by the ACD of the Switching request or (if required by the ACD) the duly completed and signed Switching form and the issue or sale of the New Shares shall take place at the next subsequent valuation point of the Fund to which the New Shares relate.

On a Switch between Funds the ACD may at its discretion charge a fee, which is described below under "Switching Fee". Details of the current fee charged upon Switching into each Fund are set out in Appendix D. There is currently no fee on a Switch between Classes in relation to the same Fund nor is there currently a fee on a Switch between any of the **Growth Funds** and the **Global Tactical Asset Allocation 1 Fund**, **Corporate Bond 1 Fund, Corporate Bond Tracker Fund, Corporate Bond PPF Fund and UK Index Linked Gilt Fund**. However, the ACD reserves the right to charge such a fee, at its discretion, in the future, subject always to compliance with the FCA Rules and the AIFMD. For the avoidance of doubt, no Switching Fee will be charged on an Automatic Switch.

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

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

Except in relation to an Automatic Switch, the ACD may at its discretion adjust the number of New Shares to be issued to reflect the imposition of any Switching fee (see below) together with any other charges or levies (including for the avoidance of doubt dilution adjustment) or SDRT provision in respect of the issue or sale of the New Shares or repurchase or cancellation of the Original Shares as may be permitted pursuant to the FCA Rules and this Prospectus.

A Switch of Shares in one Fund for Shares in another Fund is treated as a redemption and sale and will, for persons subject to United Kingdom taxation, be a realisation for the purposes of the taxation of capital gains. A Switch of Shares in one Class for Shares in another Class in relation to the same Fund will not normally be treated as a realisation for UK tax purposes.

A Shareholder who Switches Shares in one Fund for Shares in another Fund will not, in any circumstances, be given a right by law to withdraw from or cancel the transaction. However, the ACD may in its discretion offer Shareholders who Switch Shares in one Fund for Shares in another Fund a right to withdraw from or cancel the transaction

Shareholders may only Switch into a **Protected Fund** during the Cash Investment Period. Shareholders in these Funds may, however, Switch out at any time. Shareholders should note that a redemption charge may be applied on a Switch (please see "Redemption Charge" below for further details) as well as a Switching charge. **Shareholders should also be aware that the Capital Protected Price will only apply in relation to those Shares held on the Protection Date.**

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.

Currently the power to carry out such a compulsory conversion may only be used by the ACD to effect a conversion of certain Shares issued between 1 October 2012 and 31 March 2017 in Class D, E and F of the Adventurous Growth Fund, Balanced Growth Fund, Cautious Growth Fund and Progressive Growth Fund to Shares in Class P, Q and R respectively of such Funds, which Conversions are proposed to take place by 30 June 2017 or such other date as the ACD and the Depositary shall agree. Such compulsory conversion activity described immediately above only applies for certain impacted Shareholders whose investment product(s) were arranged and advised via a Lloyds Banking Group authorised representative and who have received appropriate notice of the compulsory conversion from the ACD.

Please refer to Section 4 (Shares and Classes) for details of the automatic switching provisions which apply to Class D, Class E, Class F, Class P, Class Q and Class R Share Classes in certain circumstances.

Dealing Charges, Dilution Adjustment and SDRT

Preliminary Charge

The ACD may make (and retain) a preliminary charge on the sale of Shares. The current level of the preliminary charge is calculated as a percentage of the amount invested (meaning the amount paid by way of application by the investor). The current level of the preliminary charge in respect of each Class of each Fund is set out in Appendix D. The ACD may only increase the preliminary charge in accordance with the FCA Rules and the AIFMD.

Redemption Charge

The ACD may make (and retain) a charge on the redemption of Shares.

The current redemption charge imposed on the **Global Tactical Asset Allocation 1 Fund, Corporate Bond 1 Fund, Corporate Bond Tracker Fund, Corporate Bond PPF Fund, UK Index Linked**

Gilt Fund, and the **Growth Funds** is 0.00%. The ACD does, however, reserve the right to increase the charge in the future in line with the relevant FCA Rules and the AIFMD.

In respect of Share Classes D, E and F of the **Growth Funds** the redemption charges that previously applied were removed by the ACD with effect from 25 September 2017.

In respect of the **Protected Funds** the ACD may at its discretion make and retain a charge on the redemption of Shares. The ACD may make a charge in relation to the redemption of any Shares which are redeemed before the start of the Growth Potential Period next following the date on which they were purchased. Details of the rate of the charge (where applicable) are set out in Appendix D.

The ACD may not introduce a redemption charge on the Shares or change the rate or method of calculation of a redemption charge once introduced which is adverse to Shareholders unless in accordance with the FCA Rules and the AIFMD.

Any redemption charge introduced will apply only to Shares sold since its introduction.
The ACD reserves the right to waive any redemption charge from time to time at its sole discretion.

Switching Fee

On the Switching of Shares for Shares relating to another Fund the ACD may impose a Switching fee. Details of the current fee charged upon Switching into each Fund are set out in Appendix D. 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 Switching fee is payable to the ACD.

There is currently no fee charged on a Switch to another Class of Share in the same Fund but the ACD reserves the right to charge such a fee, at its discretion, in the future, subject always to compliance with the FCA Rules and the AIFMD. For the avoidance of doubt, no Switching Fee will be charged on an Automatic Switch.

Dilution Adjustment

To mitigate the effects of dilution the ACD has the discretion to make a "dilution adjustment" on the sale and/or redemption of Shares in a Fund. A dilution adjustment is an adjustment to the Share price. If there are net inflows into a Fund the dilution adjustment will increase the Share price and if there are net outflows the Share price will be decreased.

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, it is likely that if the ACD were applying dilution adjustment over the period from 1 August 2016 to 31 July 2017, an adjustment would have been made overall on 1134 occasions. In respect of the **Protected Funds** the Share price quoted during a Growth Potential Period will include an adjustment for dilution.

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 it is estimated that in respect of the **Growth Funds** and the **Global Tactical Asset Allocation 1 Fund**, **Corporate Bond 1 Fund, Corporate Bond Tracker Fund, Corporate Bond PPF Fund and UK Index Linked Gilt Fund** and the **Protected Funds,** a typical adjustment to the Share price might range from 0.00% to 0.67%where the dilution relates to net inflows, and range from 0.75% to -0.48% where dilution relates to net outflows. These estimated rates are based on future projections of movements within the Funds.

Other Dealing Information

Money Laundering

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

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

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

Please note that if an individual's name and address cannot be confirmed by using a credit reference agency the ACD may contact that individual to ask them to supply certain documents to verify their name and address. If asked, the ACD will advise which credit reference agency has been used to enable that individual to get a copy of their details from them.
***** please note the ACD only uses this agency to verify identity to fulfil anti-money laundering regulations and not to check credit worthiness.**

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.

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, any of 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 Funds.

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 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 FCA Rules.

If:

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

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

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

If:-

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

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

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

Issue of Shares in Exchange for In Specie Assets

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

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

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

In Specie Redemptions

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

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

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

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

Suspension of Dealings in Shares

The ACD may, with the prior agreement of the Depositary, and must without delay if the Depositary so requires temporarily suspend the issue, cancellation, sale and redemption of Shares in any or all of the Funds where due to exceptional circumstances it is in the interests of all the Shareholders in the relevant Fund or Funds. The ACD and the Depositary must ensure that the suspension is only allowed to continue for as long as is justified having regard to the interests of Shareholders.

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

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

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

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

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

Governing Law

All dealings in Shares will be governed by Scots law.

Electronic Communications

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

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.

Expenses

Each Fund formed after the date of this Prospectus 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 Funds:-

(a) the fees and expenses payable to the ACD and to the Depositary (further details of these fees and expenses are given 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 Fund and each Class of Shares of each 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 costs of convening and holding meetings of Shareholders (including meetings of Shareholders in any particular Fund or in any particular Class within a Fund);

(h) the costs of printing and distributing reports, accounts and any Prospectus (except for the distribution of any simplified prospectus or key investor information document or supplementary investor information document);

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

(j) taxes and duties payable by the Company;

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

(l) any amount payable by the Company under any indemnity provisions contained in the Instrument of Incorporation or any agreement with any of the persons mentioned above under Part 2 above ("Management and Administration");

(m) fees of the FCA under Schedule 1, Part III of the Act and the corresponding periodic fees of any regulatory authority in a country or territory outside the United Kingdom in which Shares are or may be marketed;

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

(o) any costs incurred in modifying the Instrument of Incorporation or the Prospectus;

(p) any expenses properly incurred by the Depositary in performing duties imposed upon it (or exercising powers conferred on it) by the AIFMD, 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;

(q) 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;

(r) 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;

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

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

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

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

(w) any costs and expenses incurred in relation to the winding up of a 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.

The ACD and the Depositary have agreed as at the date of this Prospectus that in respect of the **Growth Funds** and the **Global Tactical Asset Allocation 1 Fund, Corporate Bond 1 Fund, Corporate Bond Tracker Fund, Corporate Bond PPF Fund and UK Index Linked Gilt Fund** that in addition to the ACD’s annual management charge (as stated below) the fees, costs and expenses referred to above and below in this Part 7 will be paid out of the income property of such Funds.

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

For the **Protected Funds**, the items listed above will (with the exception of the fees payable to the ACD) normally be paid by the ACD and will not normally be paid out of the Scheme Property of the Fund. The ACD reserves the right to pay the above items out of the Scheme Property of the Fund in the event of any change of circumstances.

Charges payable to the ACD

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

In respect of the **Protected Funds** there is currently no annual management charge.

In respect of the **Growth Funds** and **Global Tactical Asset Allocation 1 Fund** the current rate of annual management charge stated in Appendix D shall be exclusive of any management charge payable to the operator of the underlying collective investment schemes in which these Funds invest in respect of any such investment.

On a winding up of the Company or a Fund or on the redemption of a Class of Shares of a Fund, the ACD is entitled to its pro rata fees and expenses 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.

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

Remuneration payable by the ACD

The ACD has policies and practices in place for those categories of staff whose professional activities have a material impact on the risk profiles of the ACD or the Funds. These policies and practices are designed to promote sound and effective risk management, and discourage risk taking inconsistent with the risk profiles and parameters set out in this Prospectus.

Information relating to the total fixed and variable remuneration paid by the ACD to its staff will be available in the Company's annual long report. Copies of the annual long reports 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.

Depositary's Fee

In respect of the **Growth Funds** and the **Global Tactical Asset Allocation 1 Fund**, **Corporate Bond 1 Fund, Corporate Bond Tracker Fund, Corporate Bond PPF Fund and UK Index Linked Gilt Fund** the Depositary is entitled to receive out of the property of each Fund, by way of remuneration, a periodic charge which will accrue daily and will be paid monthly. In respect of the **Protected Funds** the Depositary's fee and expenses are borne by the ACD.

The current rate charged per annum on the value of the relevant Fund, represented by the net asset value of the Fund calculated on each business day, will not exceed 0.01% plus VAT (if any).

The valuation used for each day which is not a Dealing Day in respect of that Fund (and each day on which there is no valuation point for that Fund) will be the value calculated on the previous Dealing Day in respect of that Fund (or if there is no value calculated on such previous Dealing Day, the value at the beginning of such previous Dealing Day). Value Added Tax on the amount of the periodic charge will be paid out of each Fund in addition.

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

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

(i) the charges and expenses payable to State Street Bank & Trust Company ("SSBTC") to whom the Depositary has delegated the function of custody of the Scheme Property of each **Protected Fund** and the each **Growth Fund** and the **, Global Tactical Asset Allocation 1 Fund, Corporate Bond 1 Fund, Corporate Bond Tracker Fund, Corporate Bond PPF Fund and UK Index Linked Gilt Fund** such charges being the subject of agreement between the Depositary, the Company and SSBTC (subject to the FCA Rules) from time to time. The remuneration for acting as custodian is calculated at such rate and/or amount as the ACD, the Depositary and SSBTC may from time to time agree. In addition the custodian makes a transaction charge 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 range of custody charges currently applicable to each **Protected Fund** and each **Growth Fund** and the **Global Tactical Asset Allocation 1 Fund, Corporate Bond 1 Fund, Corporate Bond Tracker Fund, Corporate Bond PPF Fund and UK Index Linked Gilt Fund** will range from £2 to £120 per cash transaction and from 0.002% to 0.5% per annum plus VAT (if any) on the value of the assets.

(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 stocklending, 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).

In relation to the **Protected Funds** these will be borne by the ACD.

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 and the AIFMD.

Investment Adviser's Fee

Where in respect of any Fund, a separate investment advisory fee is payable to any investment adviser appointed from time to time, this will be met in part out of the Scheme Property attributed to such Fund, and in part by the ACD from its annual management charge levied against the relevant Fund. This fee is calculated, accrued and paid on the same basis as the ACD's annual management charge.

The current rate of the investment advisory fee payable from the Scheme Property of the **Growth Funds** is 0.1% per annum of the Net Asset Value of each Class of Shares in such Funds (plus VAT) (if any). Currently no investment advisory fee is payable from the Scheme Property of any other Fund.

The remainder of any investment advisory fee in excess of this will be met by the ACD from the annual management charge levied against the relevant Fund.

The investment advisory fee payable from the Scheme Property of a Fund may, however, be waived in whole or in part at the discretion of the ACD where the ACD considers it appropriate to do so.

Administrator's Fee

Under the administration services agreement, Diligenta Limited will be paid by the ACD out of its annual management fee.

Registrar's Fee

The ACD is entitled to a fee for acting as Registrar of each Fund. Currently, no Registrar's fee is deducted from the Scheme Property of any Fund but is borne by the ACD.

Stock lending income

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

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

The ACD also receives 5% of the revenue generated to cover their own operational costs for arranging this activity.

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

Auditor's Fee

The Auditors will be paid a fee for each Fund in payment for carrying out its duties as Auditor. Any such fees are subject to annual review. For the accounting year 1 September 2015 – 31 August 2016 the fee for the **Corporate Bond 1 Fund** is £7,100 plus VAT (if any); the fee for each of the **Cautious Growth, Balanced Growth, Progressive Growth, Adventurous Growth Funds, Global Tactical Asset Allocation 1 Fund, Corporate Bond Tracker Fund, Corporate Bond PPF Fund and UK Index Linked Gilt Fund** is £7,900 plus VAT (if any). The fees are payable out of the Scheme Property of the relevant Fund.

The ACD will bear the Auditor's fee is relation to the **Protected Funds**. The ACD may, at its discretion from time to time, choose whether or not to bear the Auditors' fees for any of the Funds in whole or in part. The Auditors' fee accrues daily and is paid annually.

8. Accounting and Income

Accounting Periods

The annual accounting period of the Company will end on 31 August ("the accounting reference date") in each year. The half-yearly accounting period will end on the last day of February in each year.

Annual Reports

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

Income

Allocations of income are made in respect of the income available for allocation in each accounting period (whether annual or interim). The annual and interim income allocation dates, if any, for each Fund are given in Appendix D. Allocations of income for each Fund will be made on or before the relevant income allocation date. Payment of income distributions, where applicable, will normally be made by bank transfer (BACS) but may be made by cheque. Shareholders may request that income distributions be reinvested and the ACD may allow this at its discretion.

The ACD and the Depositary have agreed that in relation to the **Protected Funds** there will be no distribution of income if the income received during a Growth Potential Period is less than 2% of the size of the relevant Fund. Any income which is not distributed will be accrued and carried forward to the next accounting period and be regarded as received at the start of that period. The ACD and the Depositary have agreed that in relation to **the Protected Funds** a distribution will be made in respect of the period from the start of the Cash Investment Period to the Derivative Date.

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

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

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

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

Income Equalisation

Income equalisation is currently applied in relation to each Fund. However, in relation to the **Protected Funds**, income equalisation will only apply during any period where the relevant Fund is invested, in whole or in part, in cash (or similar assets).

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, the AIFMD and the OEIC Regulations, decide that income equalisation is to cease to be distributed in respect of any Fund, in which case, it shall instead be accumulated as part of the capital property of the Fund.

9. Taxation

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

The Company

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

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

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

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

*Stamp Duty/SDRT**

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

Shareholders

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

Income – dividend distributions

Any dividend distribution made by a Fund will be treated as if it were a dividend from a UK company. No deduction of UK income tax is made from a dividend distribution, 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 a 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 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

* 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.

below and details of whether a particular Fund is currently a Bond fund for UK tax purposes are set out in Appendix D.

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

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

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

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

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

These changes apply to both income and accumulation share classes.

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

The type of distribution which it is intended will be paid by each Fund is as follows:

Fund Name	Interest/Dividend Distribution
Cautious Growth Fund	Interest
Balanced Growth Fund	Dividend
Progressive Growth Fund	Dividend
Adventurous Growth Fund	Dividend
Global Tactical Asset Allocation 1 Fund	Dividend
Capital Protected Fund 19*	Dividend
Capital Protected Fund 20*	Dividend
Capital Protected Fund 21	Dividend
Corporate Bond Fund 1	Interest
Corporate Bond Tracker Fund	Interest
Corporate Bond PPF Fund	Interest
UK Index Linked Gilt Fund	Interest

*This Fund is in the process of being terminated.

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 .
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 may be 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 Changes to the Scheme

In this section "relevant Shareholder" in relation to a general meeting of Shareholders means a person who is a Shareholder on the date 7 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.

Convening and Requisition of Meetings

No annual general meetings are held in respect of the Company.

The ACD may convene a general meeting of Shareholders at any time.

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.

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.

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. The quorum for a meeting is two Shareholders, present in person or by proxy.

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. 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 7 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, it shall not be necessary to convene a meeting and a resolution may, with the prior written agreement of the Depositary to the process, instead be passed with the written consent of Shareholders representing 50% or more, or for an extraordinary resolution 75% or more, of the Shares in issue.

Class Meetings and Fund Meetings

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

Variation of Class Rights

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

Notifying Shareholders of Changes

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

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

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

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

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

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

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

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

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

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

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

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

(f) in the case of the Company, on the date on which all of the Funds fall within (e) above or have otherwise ceased to hold any scheme property, notwithstanding that the Company may have assets and liabilities which are not attributable to any particular Fund.

Where the Company is to be wound up or a Fund is to be terminated under the FCA Rules, notice of the proposals for winding up the Company or the termination of the relevant Fund must be given to the FCA for approval (or deemed approval). This notice cannot be given to the FCA unless the ACD provides a statement (following an investigation into the affairs of the Company) which either confirms that the Company will be able to meet all its liabilities within 12 months of the date of the statement or states that such confirmation cannot be given. The Company may not be wound up under the 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 6.2, COLL 6.3 and COLL 5 of the FCA Rules (which relate to the dealing in and the valuation and pricing of Shares and to investment and borrowing powers respectively) will cease to apply to the Company or the relevant Fund;

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

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

(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; and

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

Following the completion of the winding up of the Company or the termination of a particular Fund, the Depositary must as soon as is reasonably practicable notify the FCA of that fact.

Following the completion of a winding up of the Company or the termination of a Fund, the ACD must prepare a final account showing how the winding up or termination was conducted and how the Scheme Property was disposed of. The auditors of the Company will make a report in respect of the final account and will state their opinion as to whether the final account has been properly prepared. This final account and the auditors' report must be sent to the FCA and to each Shareholder within four months of the conclusion of termination or the winding up.

The present ACD has given an undertaking to the Company the terms of which provide that, while the ACD is in office and in the event that any of the **Protected Funds** require to be terminated, the ACD will meet any deficit arising on the termination of any **Protected Fund** and the costs of termination in respect of the **Protected Funds** (but for the avoidance of any doubt this shall not cover any market loss or counterparty default).

For the **Protected Funds**, the Instrument of Incorporation provides that all Shares in the relevant Fund will be automatically redeemed by the ACD on the End Date after which the Fund will terminate.

Shareholders and any persons whose shares are held on their behalf by Scottish Widows Unit Trust Managers Limited will be contacted at least three months before the Protection Date to explain the options which may be available for their redemption proceeds.

The options which may be made available by the ACD may include investment in another **Protected Fund**, investment in another sub-fund or the payment of redemption proceeds.

Shareholders and other persons whose shares are held on their behalf by the ACD will have until the Dealing Day immediately before the End Date to decide on their options.

If no instructions are received by the end of the Redemption Period from the relevant Shareholder or person whose shares are held on their behalf by Scottish Widows Unit Trust Managers Limited as to which option he chooses, the redemption proceeds will be paid to that Shareholder or person, by direct credit via the BACS system or by cheque sent to the last known address of that Shareholder or person. The ACD will decide upon the method of payment.

12. Risk Factors

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

1. General

The investments of the Company are subject to normal market fluctuations and other risks inherent in investing in securities and other types of asset class. There can be no assurance that any appreciation in value of investments will occur. The value of investments and the income derived from them may fall as well as rise and investors may not recoup the original amount invested in the Company. There is no assurance that the investment objective of any Fund will actually be achieved.

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 necessarily a guide to future growth or rates of return.

There will be a variation in performance between Funds with similar objectives due to the different assets selected. Funds will also diverge from their benchmarks depending on these selections.

Funds aiming for relatively high performance can incur greater market movement than those adopting a more standard investment approach. The performance of your investment is not guaranteed.

If you invest in any of the Funds to build up a particular sum by a certain date you may not achieve the target amount if you do not maintain your contributions or the investment value does not grow sufficiently.

2. Effect of Preliminary Charge

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 medium to long-term investment.

3. Suspension of Dealings in Shares and Deferred Redemption

Investors are reminded that in certain circumstances their right to redeem Shares may be suspended as described in section 6 of this Prospectus under "Suspension of Dealings in Shares" or deferred as described in section 6 of this Prospectus under "Deferred Redemption”.

4. Collective Investment Schemes

The **Growth Funds,** can obtain exposure to a wide range of asset classes through investment in collective investment schemes which may themselves invest in a range of other assets. These underlying assets may vary from time to time but each category of assets (which may include, but shall not be limited to commodities, hedge funds or property) has individual risks associated with them. The Funds and the ACD may not have control over the activities of any collective investment scheme or company invested in by the Funds. Managers of collective investment schemes and companies in which a Fund may invest may take undesirable tax positions, employ excessive

Leverage, or otherwise mange the collective investment schemes or be managed in a manner not anticipated by the ACD.

5. Currency Exchange Rates

Depending on an investor's currency of reference, currency fluctuations may adversely affect the value of an investment.

6. Markets

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

Companies in emerging markets may not be subject:-

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

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

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

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

The reliability of trading and settlement systems in some emerging markets may not be equal to that available in more developed markets, which may result in delays in realising investments.

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

7. Smaller Companies

Where Funds invest 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 companies is likely, therefore, to involve greater risk than investment in larger companies. Investors should consider whether or not investment in such Funds is either suitable for or should constitute a substantial part of an investor's portfolio.

8. Charges to Capital

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

9. Government and Public Securities issued by one issuer

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

10. Interest rate fluctuations

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

11. Liabilities of the Company and the Funds

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

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.

12. Property

While none of the current Funds invest directly in property, the **Growth Funds** and the **Global Tactical Asset Allocation 1 Fund** may have indirect exposure to property. Property is a less liquid asset than other asset Classes such as bonds and equities and values could be affected if properties need to be sold in a short timescale. Property valuation is a matter of judgment by an independent valuer. Therefore it is generally a matter of valuer's opinion rather than fact and values can go down or up.

13. Inflation

As Shares in the Funds should be viewed as medium to long term investments, the impact of inflation on any growth in the Funds must be considered. The impact of inflation is to reduce the value of such growth in real terms.

14. International taxation of investments

As a result of operating in an international remit, a Fund's performance may be adversely impacted by the tax regimes in those overseas jurisdictions and in particular changes to the same.

15. High yield bonds

High yield bonds (also known as sub-investment grade bonds or junk bonds) are potentially more risky (higher credit risk) as the companies are more likely not to be able to honour repayment on the bonds they issue.

16. Corporate Bonds

Corporate bonds and other types of fixed interest securities have a risk that the issuer might not be able to honour repayment on the bonds that they issue or their credit rating may fall which could affect the value of the investment.

17. Use of Derivatives and Efficient Portfolio Management

The use of these instruments may from time to time expose a particular Fund to volatile investment returns and increase the volatility of the net asset value of a Fund. With the exception of the **Growth Funds** and the **Global Tactical Asset Allocation 1 Fund and Corporate Bond 1 Fund** derivative transactions are used by the Funds solely for the purposes of Efficient Portfolio Management (as defined below) and are not intended to increase the risk profile of the Funds or the Company.

The Funds may make use of EPM techniques (including securities lending and reverse repurchase transactions) to reduce risk and/or costs in the Funds and to produce additional capital or income in the Funds in a manner which is economically appropriate and with an acceptable level of risk. Techniques used by the Funds may include using derivatives for hedging against price or currency fluctuations, engaging in securities lending and reverse repurchase transactions. Further details on efficient portfolio management and securities lending can be found in Appendix B (Investment and Borrowing Powers of the Company).

It is not intended that using derivatives for EPM will increase the volatility of the Funds and indeed EPM is intended to reduce volatility. In adverse situations, however, a Fund's use of EPM techniques may be ineffective and that Fund may suffer losses as a result. The Funds' ability to use EPM strategies may be limited by market conditions, regulatory limits and tax considerations.

EPM techniques may involve a Fund entering into derivative transactions or securities lending transactions with a counterparty where there may be a risk that a counterparty will wholly or partially fail to honour its contractual obligations, exposing the Fund to counterparty credit risk. In this event, the relevant Fund could experience delays in recovering the loaned securities, may not be able to recover the loaned securities, and/or may incur a capital loss which might result in a reduction in the net asset value of the Fund.. To mitigate that risk, the counterparties to these transactions may be required to provide collateral to the Fund. The counterparty will forfeit its collateral if it defaults on the transaction. However, in the event of counterparty default, if the collateral is in the form of securities, there is a risk that when it is sold it will realise insufficient cash to settle the counterparty's liability to the Fund. This may result in losses for investors. In relation to those Funds which use securities lending, there is an indemnity provided by State Street Bank & Trust Company (SSBTC) which is additional protection in the event of a counterparty default, and reduces the risk of loss from securities lending as a result of default.

There is no guarantee that a Fund will achieve the objective for which it entered into a transaction in relation to EPM. Securities lending transactions may, in the event of a default by the counterparty, result in the securities lent being recovered late or only in part, or replacement securities being offered. This may result in losses for investors.

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 counterparty is not fully collateralised, then the Fund's credit exposure to the counterparty in such circumstances will be higher than if the transaction had been fully collateralised.

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

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

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

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

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

18. Use of Derivatives for investment purposes

Although the use of derivatives for investment purposes is not intended to increase the risk profile of each of the **Growth Funds** and the **Corporate Bond 1 Fund** or **Global Tactical Asset Allocation 1 Fund** where they are so used for these purposes this may lead to greater volatility in the Share price of a Fund. The effect of the derivative strategies employed could be to amplify or dampen market movements, or in extreme circumstances to cause the net asset value of a Fund to move in an opposite direction to that of the market. As such, their behaviour could be counter-intuitive to that expected by investors who are accustomed to investment in traditional long only funds. The use of derivatives will provide such Funds with the potential for improved returns through the use of strategies beyond those classed as efficient portfolio management. Whilst the use of this type of Leverage may enhance the return to the Fund; there is also the potential that, in certain cases, the use of Leverage may amplify losses. These strategies may include the use of short positions and Leverage to take advantage of particular opportunities. Whilst these strategies may lead to an increase in share price volatility, appropriate risk monitoring will ensure that there is no material increase in the risk profile of such Funds.

19. Use of Collateral and derivative techniques

The FCA Rules permit the ACD to use certain techniques when investing in derivatives in order to manage the exposure of the each of the **Growth Funds** and the **Global Tactical Asset Allocation 1 Fund** to particular counterparties and in relation to the use of collateral to reduce overall exposure to over-the-counter ("OTC") derivatives; for example such a Fund may take collateral from counterparties with whom it has an OTC derivative position and use that collateral to net off against the exposure it has to the counterparty under that OTC derivative position, for the purposes of complying with counterparty spread limits. The FCA Rules also permit derivatives to be effectively sold short (agree to deliver the relevant asset without holding it in the scheme) under certain conditions.

If the counterparty to the Company in relation to an OTC Derivative became insolvent or is unable to meet its obligations under the OTC Derivative, then a Fund would be likely to suffer a loss which may have a significant impact on the investment performance of a Fund.

20. Protected Funds

Potential investors should also consider the following additional risk factors applying to the **Protected Funds** before investing.

The **Protected Funds** are limited issue funds. See Section 4 of this Prospectus for details on the limitation of issue.

The **Protected Funds** will invest principally in deposits, cash, near cash and/or collective investment schemes for a specified period (until the Derivative Date specified in relation to that Fund) and thereafter will invest principally in derivatives for a further specified period (the Growth Potential Period). **The Protected Funds will, accordingly, be using derivatives to meet their investment objectives. The ACD does not anticipate that such use of derivatives will raise the risk profile of the Protected Funds.**

At certain points during the period between the start of the Cash Investment Period and the Protection Date, the assets of the **Protected Funds** will be on deposit with one or more approved banks and/or invested in units in one or more AAA rated money market schemes and/or UCITS schemes which are equivalent to such schemes. If during a period when the assets of a **Protected Fund** were on deposit with one or more approved banks and/or invested in units in one or more AAA rated money market schemes and/or UCITS schemes there was a reduction in the value of the Scheme Property of a **Protected Fund**, this is likely to have a detrimental effect on the value of the relevant **Protected Fund**, potentially reducing the return available to below the Capital Protected Price. If any of these banks or schemes were to suffer a financial failure, this is likely to have a detrimental effect on the value of the relevant Fund, reducing the return available to below the Capital Protected Price. In accordance with COLL 5.6.3, the rules set out in COLL 5 as they apply to a non-UCITS retail scheme do not apply until 12 months after the later of: (a) the date of the authorisation order in respect of the Company and; (b) the date the initial offer of the relevant Fund commenced, provided that there is a prudent spread of risk. During a Cash Investment Period, the ACD may, in consultation with the Depositary, conclude that it is not reasonably practicable to comply with either COLL 5.6.7R(2) (deposits with a single body) and may hold cash on deposit with a limited number of approved banks or COLL 5.6.7R (6) and may hold units in a limited number of AAA rated money market schemes and/or UCITS schemes which are equivalent to such schemes.

As stated above, the **Protected Funds** will, during the Growth Potential Period, invest principally in derivatives. Any such derivatives may be provided by a single counterparty, including a counterparty within the same group of companies as the ACD. Collateral may be used to reduce exposure to over-the-counter derivatives for the purposes of complying with counterparty spread limits. **Shareholders should note that they might not get back their original investment in the event that any counterparty (including OTC counterparties, deposit takers and intermediaries) cannot meet their obligations**. To help protect against this risk, collateral will be deposited with an independent custodian and can be called upon if the counterparty fails to deliver. **A default by a counterparty could affect the achievement of the stated return. In certain circumstances, a default by a single counterparty may result in the ACD being unable to offer the terms of a Protected Fund**. In the case of a default by a counterparty which cannot either be rectified or the ACD is unable to secure terms which are equal to or more favourable than those previously secured with the counterparty now in default, the ACD would take steps as soon as reasonably practicable to redeem the Shares then in issue and terminate the Protected Fund in accordance with the FCA Rules. It is the ACD's current intention that the costs of winding-up would be met by the ACD. **There is a risk that the counterparty fails and this coincides with a Protected Fund having collateral which fails or is deposited with an institution that fails then a Shareholder is likely to get back significantly less than invested**.

Terms for the **Protected Funds** are set ahead of the launch of the Fund, hence the terms may or may not compare as favourably with those currently available in the market at the date a Shareholder invests.

Shareholders should note that in relation to the **Protected Funds** any form of redemption of Shares in whole or in part in a **Protected Fund** would, before the Protection Date, result in them losing protection in relation to those Shares that are redeemed and on making such a redemption a Shareholder is likely to get back less than was invested, in some circumstances substantially less. Whilst the use of this type of Leverage may enhance the return to the Fund; there is also the potential that, in certain cases, the use of Leverage may amplify losses. The Capital Protected Price will only be paid in relation to those Shares held on the Protection Date.

Please note that there may be a charge on redemption (as described under "Redemption Charge" in Part 6 of this Prospectus, above).

In relation to each Protected Fund during the Redemption Period, the assets of a Protected Fund will either be on deposit with one or more approved banks and/or invested in units in one or more “A minimum rated” money market schemes or UCITS scheme which are equivalent to such schemes. If any of these banks or schemes were to suffer a financial failure, this is likely to have a detrimental effect on the value of the relevant Fund and Shareholders (and other investors whose Shares are held on their behalf by the ACD) who hold their Shares in the relevant Fund during any part of the Redemption Period or up until the End Date may not receive the full Capital Protected Price.

Shareholders should note that if before the Derivative Date, the ACD in its sole discretion (and after consultation with the Depositary and, if appropriate, the Auditors) determines that a Protected Fund is not economically viable the ACD will take appropriate steps to notify Shareholders and redeem the Shares then in issue and thereafter proceed to wind up the relevant Protected Fund.

All shares in the **Protected Funds** will be automatically redeemed by the ACD on the End Date, after which the Fund will terminate.

The adoption of or any change in any law, regulation or practice, including without limitation taxation or accounting legislation, regulation or practice, concerning the derivatives in which a Protected Fund invests could adversely affect the achievement of the investment objective. Any unforeseen increased costs or tax liability arising as a result of any such adoption or change may have to be borne out of the Scheme Property of the relevant Protected Fund.

A Protected Fund is not a guaranteed investment.

In determining any percentage rise of a chosen Index, the ACD may use "averaging". This is a method commonly used to protect investors from volatility in capital markets and the method can help to even out rises and falls. The effect of averaging could be to reduce the investment potential of a Protected Fund. If, there is considerable market disruption, the ACD may, in its use of averaging, discount any Business Day when the value of the chosen Index, or any part of it, is not published.

Shareholders in Capital Protected Fund 19*, Capital Protected Fund 20* and Capital Protected Fund 21 should note that on the Protection Date, the Shareholder might get back less than if they had invested directly in the shares that make up the chosen Index. This is primarily because:

(a) an upper limit is set on any amount payable in addition to the Capital Protected which means Shareholders could receive less growth.

(b) a Shareholder will not receive any dividends that would be paid if shares in the chosen Index were held directly by a Shareholder;

(c) the Averaging applied to determine the value of the Index will mean that if the Index rises, the returns may be lower than investing in the shares of the Index directly where Averaging would not apply.

*This Fund is in the process of being terminated.

Examples of how each Protected Fund is intended to work are set out in the relevant parts of Appendix D.

21. Securitisation

Certain Funds may invest in securitised assets; these are a type of debt generally structured from a pool of underlying assets that provides the cash flow that pays the obligations of the securitised asset. These underlying assets can expose the Fund to credit risk and the securitised asset itself can be illiquid, difficult to price and/or subject to high price volatility. Securitised assets may also be structured in tranches, this means the risks are unevenly spread in the event of default and junior tranches take credit losses before senior tranches.

22. Leverage

Leverage may arise from borrowing and/or through the use of derivative and forward transactions up to the limits set out in Appendix B.

Where the investment policy of a Fund permits the use of derivatives and/or forward transactions for investment purposes, the Fund may be leveraged to the extent that this may potentially increase the volatility and risk of the Fund. In addition, when undertaking derivative and forward transactions, the low margin deposits normally required may lead to a higher degree of Leverage, which may also lead to greater fluctuations in the price of a Fund.

23. Equities

Company shares ('equities') generally offer higher long term growth potential than some other asset classes. However, values can fluctuate considerably, and there is a greater risk that you might not get back all of your investment.

13. Risk Management

Risk management policy

The ACD has a Risk Management Policy designed to ensure that the material risks associated with each investment position of each Fund can be properly identified, measured, managed and monitored on an ongoing basis, including through the use of appropriate stress testing procedures.

Material changes in respect of the current risk profile of the Funds and the Risk Management Policy employed by the ACD will be disclosed in the annual long report published in accordance with Section 8 of this Prospectus.

Leverage

The Investment Adviser is required to adhere to maximum Leverage limits set by the ACD under the commitment and gross methods, and disclosed in Appendix B of this Prospectus.

The annual long report published in accordance with Section 8 of this Prospectus will (as applicable) include details of any changes to the Leverage restrictions set out in this Prospectus together with the total amount of leverage employed by the Company in relation to each Fund. Leverage data will also be reported to the FCA on a quarterly basis.

14. General Information

Types of Investor in Scottish Widows Income and Growth Funds ICVC

The Funds within this ICVC (detailed in Appendix D) are marketable to all retail investors and institutional investors.

Fair Treatment of Investors

The ACD has procedures in place to ensure fair treatment of Shareholders in accordance with the AIFMD. These procedures deal with matters such as the manner in which dealing may be deferred or suspended (see "Deferred Redemption" and "Suspension of Dealings in Shares"); valuations (see Appendix C "Determination of Net Asset Value"); and the allocation of assets, liabilities, expenses, costs and charges between the Funds (see "The Company and its Structure").

Documents Available for Inspection

Copies of the following documents may be inspected free of charge between 9.00 am and 5.00 pm on every Dealing Day at the offices of the ACD at 15 Dalkeith Road, Edinburgh EH16 5WL:-

(a) the Instrument of Incorporation (and any document by which it is amended);

(b) the AIFM 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 documents listed at (a) and (b) above. Any person may request a copy of the annual and half-yearly long reports free of charge.

Notices

If notices or any other document need to be sent to any Shareholder, then such notice or document may be given or sent:

- personally;
- by leaving it (in an envelope addressed to the Shareholder) at the Shareholder's address shown in the Register; or

- by sending it by post or other delivery service (with postage or delivery paid) to the Shareholder's postal address shown in the Register; or
- by electronic communication to an address notified to the ACD by the Shareholder for receiving notices and other documents in that way and in accordance with the FCA Rules.

If Shares are held by 2 or more persons jointly service of a notice or document on any one of the joint Shareholders will be effective service on the other joint Shareholders.

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 AIFM Agreement;

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

(c) the Investment Management Agreement between the ACD and the Investment Adviser dated 31 March 2014.

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

Box management policy

The ACD may hold Shares as principal, however, it currently does not intend to make any profit from the sale and purchase of shares, but, any profits and/or losses which the ACD makes in connection with the sales and repurchase of shares will be retained by the ACD. The ACD is under no obligation to account to Shareholders or the Depositary (or any other affected person (as set out in COLL) for any profits made by it on the issue of Shares or on the re-issue or cancellation of Shares previously redeemed by the ACD.

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.

Complaints

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

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

Further details relating to the ACD's complaint management procedure are available by contacting the ACD.

All complaints will be investigated and, unless the complaint is resolved to the satisfaction of the complainant within 8 weeks after its receipt by the ACD, the complainant in most cases will have a right to refer the complaint to the Financial Ombudsman Service.

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
Exchange Tower
London E14 9SR

Appendix A

Eligible Securities Markets and Eligible Derivatives Markets

An eligible securities and derivatives market is one which is: (1) (a) a regulated market (as defined for the purposes of the FCA Rules); or (b) established in any EEA State which is regulated, operates regularly and is open to the public or (2) if it falls within neither (a) nor (b) above but the ACD, after consultation with and notification to the Depositary, considers the market is appropriate, the market is listed in the prospectus.

Subject to the investment objective of the Fund, each Fund may:

(1) deal through securities and derivatives markets which are (a) regulated markets or (b) established in an EEA State which are regulated, operate regularly and are open to the public; and

(2) deal through the additional eligible securities and derivatives markets listed below.

A securities or derivatives market may be added to any of those lists only in accordance with the FCA Rules. No market shall be an eligible securities or eligible derivatives market unless it would be eligible in terms of Chapter 5 of the FCA Rules.

Other Eligible Securities Markets

Subject to the investment objective and policy of the Fund, the following markets are currently eligible securities markets in respect of each of the **Growth Funds** and the **Global Tactical Asset Allocation 1 Fund, Corporate Bond 1 Fund, Corporate Bond Tracker Fund, Corporate Bond PPF Fund and UK Index Linked Gilt Fund**:

European Economic Area	Alternative Investment Market (AIM)
Australia	Australian Securities Exchange
Bermuda	Bermuda Stock Exchange
Brazil	Sao Paulo Stock Exchange BM&F Bovespa
Canada	Toronto Stock Exchange
Chile	Santiago Stock Exchange
China	Shanghai Stock Exchange Shenzen Stock Exchange
Columbia	Bolsa Columbia
Egypt	Egyptian Stock Exchange
Hong Kong	Hong Kong Exchanges and Clearing Ltd

India	Bombay Stock Exchange Calcutta Stock Exchange National Stock Exchange of India
Indonesia	Indonesia Stock Exchange
Israel	Tel Aviv Stock Exchange
Japan	Fukuoka Stock Exchange Nagoya Stock Exchange Osaka Securities Exchange (incl JASDAQ) Sapporo Securities Exchange Tokyo Stock Exchange
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
Republic of Korea	Korea Stock Exchange
Russia	Moscow Stock Exchange RTS Stock Exchange
Singapore	Singapore Exchange SGX
South Africa	Johannesburg Stock Exchange
Sri Lanka	Colombo Stock Exchange
Switzerland	SIX Swiss Exchange AG
Taiwan	Taiwan Stock Exchange Gre Tai Securities Markets
Thailand	Stock Exchange of Thailand
Turkey	Istanbul Stock Exchange
United States of America	Boston Stock Exchange Chicago Stock Exchange New York Stock Exchange (incl ASE) NASDAQ National Stock Exchange US OTC Corporate Bond Market (TRACE)

Vietnam	Hanoi Securities Trading Centre Ho Chi Minh SE

Eligible Derivatives Markets

Subject to the investment objective and policy of the Fund, the following markets are currently eligible derivatives markets in respect of each of the **Growth Funds** and the **Global Tactical Asset Allocation 1 Fund, Corporate Bond 1 Fund, Corporate Bond Tracker Fund, Corporate Bond PPF Fund and UK Index Linked Gilt Fund** :

European Economic Area	Euronext EUREX EDX
Australia	ASX Limited
Austria	Austrian Futures and Options Exchange Wiener Börse Derivatives Market
Belgium	Euronext
Brazil	Bovespa Sao Paulo BM&F Bovespa
Canada	Montreal Exchange
Finland	EUREX
France	Euronext Paris
Germany	EUREX Derivatives Exchange
Greece	Athens Stock Exchange (Derivatives)
Hong Kong	Hong Kong Futures Exchange (incl HK Exchanges and Clearing Limited)
Italy	Borsa Italiana Equity Derivatives Market
Japan	Osaka Stock Exchange Tokyo Futures/Financial Exchange Tokyo Stock Exchange
Luxembourg	Euronext - Luxembourg; Luxembourg Stock Exchange
Netherlands	Euronext - Amsterdam (futures exchange) Euronext - Amsterdam (options exchange)
New Zealand	New Zealand Stock Exchange (incl NZ Futures Exchange)
Republic of Korea	Korea Exchange (derivatives)
Singapore	Singapore Exchange
South Africa	JSX –South African Futures Exchange (SAFEX)

Spain	MEFF Renta Fija; MEFF Renta Variable
Sweden	NASDAQ OMX Stockholm Exchange
Switzerland	EUREX
UK	Euronext Liffe ICE Futures Europe
United States of America	Chicago Board of Options Chicago Board of Trade CME Group CME Globex ICE Futures US New York Stock Exchange (incl ASE) NASDAQ OMX Futures Exchange NASDAQ OMX PHLX

Protected Funds

Australia	ASX Limited
Austria	Austrian Futures and Options Exchange Weiner Bourse Derivatives Market
Belgium	Euronext
Brazil	BM & F BOVESPA; Bovespa Sao Paolo
Canada	Montreal Exchange
Europe	Euronext EUREX EDX
Finland	EUREX
France	Euronext Paris
Germany	EUREX Derivatives Exchange
Greece	Athens Stock Exchange (Derivatives)
Hong Kong	Hong Kong Futures Exchange (incl HK Exchanges and Clearing Limited)
Italy	Borsa Italiana Equity Derivatives Market
Japan	Osaka Stock Exchange Tokyo Futures/Financial Exchange Tokyo Stock Exchange
Luxembourg	Euronext – Luxembourg Luxembourg Stock Exchange

Netherlands	Euronext - Amsterdam (futures exchange) Euronext - Amsterdam (options exchange)
New Zealand	New Zealand Stock Exchange (includes NZ Futures Exchange)
Singapore	Singapore Exchange (SGX)
South Africa	JSX - 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 of America	Chicago Board of Options (CBOE) Chicago Board of Trade CME Group CME Globex ICE Futures US NASDAQ OMX Futures Exchange NASDAQ OMX PHLX New York Stock Exchange (incl ASE)

Appendix B

Current Investment and Borrowing Powers of the Company

This Appendix sets out the investment restrictions and use of Leverage (through borrowing and derivatives) applicable in terms of the FCA Rules to each Fund.

The Scheme Property of each Fund will be invested with the aim of achieving the investment objective of that Fund but subject to the limits on investment set out in Chapter 5 of COLL or as stated in this Prospectus. The ACD must ensure that, taking account of the investment objectives and policies of the Funds as stated in this Prospectus, the Scheme Property of the Fund aims to provide a prudent spread of risk. In accordance with COLL 5.6.3 R(2) the rules as set out in Chapter 5 of COLL relating to spread of investments do not apply until 12 months after the later of: (a) the date that the Company was authorised by the FCA; and (b) the date that the initial offer in respect of any Fund commenced, provided that there is a prudent spread of risk.

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

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

Investment and borrowing limits

The following is a summary of the investment limits under the FCA Rules for a non-UCITS retail scheme and as at the date of this Prospectus apply to the Funds:-

1. The Scheme Property may only, except where otherwise provided for in COLL 5.6 consist of any one or more of:
   (a) transferable securities (however, this does not apply for the **Protected Funds**);
   (b) money-market instruments;
   (c) permitted collective investment scheme units (see below);
   (d) permitted derivatives and forward transactions (see below);
   (e) permitted deposits (see below)
   (f) permitted immovables (see below) (however, this does not apply for any of the Funds as at the date of this Prospectus); and
   (g) gold up to a limit of 10% in value of the Scheme Property (however, this does not apply for any of the Funds as at the date of this Prospectus).

Transferable securities and money market instruments must (i)(a) be admitted to or dealt on an eligible market; (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 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 relevant 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 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 any of the Funds may, as at the date of this Prospectus, consist of transferable securities which are warrants. Call options are not deemed to be warrants for the purposes of this 5% restriction. The **Protected Funds** may not invest in warrants.

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 is the person with whom they are placed.

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

4. Not more than 10% in value of the Scheme Property 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 the relevant 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 the relevant 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 of 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. **The investment policies of the Funds do not, as at the date of this Prospectus, provide for the replication of the performance or composition of an index.**

5. The exposure to any one counterparty in an OTC derivative transaction must not exceed 10% in value of the scheme. For the purpose of calculating the limits with regard to OTC derivative transactions, the exposure in respect of an OTC derivative may, for each Fund, be reduced to the extent that collateral is held in respect of it if the collateral meets each of the following conditions:

   (a) it is marked-to-market on a daily basis and exceeds the value of the amount at risk;

   (b) it is exposed only to negligible risks (e.g. government bonds of first credit rating or cash) and is liquid;

   (c) it is held by a third party custodian not related to the provider or is legally secured from the consequences of a failure of a related party; and

   (d) can be fully enforced by the Company at any time.

   OTC positions with the same counterparty may be netted provided that the netting procedures:

   (a) comply with the conditions set out in Section 3 (Contractual netting (Contracts for novation and other netting agreements)) of Annex III to the Banking Consolidation Directive; and

   (b) are based on legally binding agreements.

   In applying this paragraph 5, all derivative transactions are deemed to be free of counterparty risk if they are performed on an exchange where the clearing house meets each of the following conditions: (a) it is backed by an appropriate performance guarantee; and (b) it is characterised by a daily mark-to-market valuation of the derivative positions and at least daily margining.

6. Except for a feeder fund, not more than 35% in value of the scheme is to consist of the units of any one scheme.

7. The limitations referred to in points 3 to 6 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").

8. Where no more than 35% of the Net Asset Value of the Scheme Property of a Fund is invested in such Securities issued by any one body, there is no limit on the amount which may be invested in such Securities or in any one issue (**however, this paragraph does not apply to any of the Protected Funds as at the date of this Prospectus**).

9. More than 35% of the Net Asset Value of the Scheme Property of a Fund can be invested in such securities issued by any one body listed in point 7 above provided that (a) the ACD has, before any such investment is made, consulted with the Depositary and as a result considers that the issuer of such Securities is one which is appropriate in accordance with the investment objectives of the Fund; (b) no more than 30% of the Net Asset Value of the Scheme Property of that Fund consists of such securities of any one issue; (c) the Scheme Property of that Fund includes such Securities issued by that or another issuer of at least six different issues and (d) certain details have been disclosed in the prospectus (**this paragraph applies only to the UK Index Linked Gilt Fund as at the date of this Prospectus**).

10. Appendix D specifies in relation to each Fund whether or not point 9 above is applicable to that Fund. The names of the individual States, local authorities and public international bodies ("the issuers") issuing such Securities in which each such Fund may invest over 35% of its assets (if any) are set out in the Table 1 at the end of this Appendix B in and for the purposes of this point 10 and points 8 and 9 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.

11. A Fund can only invest in another collective investment scheme (a "second scheme") if that second scheme meets each of the requirements at (a) to (d):

    (a) the second scheme is a scheme which (i) complies with the conditions necessary for it to enjoy the rights conferred by the UCITS Directive; or (ii) is a non UCITS retail scheme; or (iii) is a recognised scheme; or (iv) is constituted outside the United Kingdom and the investment and borrowing powers of which are the same or more restrictive than those of a non-UCITS retail scheme; or (v) is a scheme not falling within (i) to (iv) 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:

    (b) the second scheme complies with the principles of prudent spread of risk;

    (c) the second scheme has terms prohibiting more than 15% of the Net Asset Value of its Scheme Property consisting of units in collective investment schemes; and

    (d) the participants in the second scheme must be either entitled to have their units redeemed in accordance with the scheme at a price (i) related to the net value of the property to which the units relate; and (ii) determined in accordance with the scheme.

    The Corporate Bond 1 Fund, Corporate Bond PPF Fund, Corporate Bond Tracker Fund, Global Tactical Asset Allocation 1 Fund, and UK Index Linked Gilt Fund may invest only 15% of its value in other collective investment schemes.

12. The scheme property attributable to a Fund may include shares in another Fund of the Company (the "Second Fund") provided that:

    (a) The Second Fund does not hold Shares in any other Fund;

    (b) The requirements of paragraphs 13 and 14 below are complied with and;

    (c) Not more than 20% in value of the Scheme Property of the investing or disposing Fund is to consist of Shares in the Second Fund.

13. Investment may only be made in a Second Fund or other collective investment schemes managed by the ACD or an associate of the ACD if the Fund's Prospectus clearly states that it may enter into such investments and the rules on double charging contained in the COLL Sourcebook are complied with.
14. Points 3 to 10 above do not apply until 12 months after the later of: (a) the date that the Company was authorised by the FCA; and (b) the date that the initial offer in respect of any Fund commenced, provided that there is a prudent spread of risk.
15. The Funds may invest the full extent of the exposure permitted under Point 6, in other collective investment schemes managed or operated by, or which have, as their authorised corporate director, the manager or an associate of the ACD provided that the provisions of the FCA Rules regarding investment in such schemes are complied with.
16. 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 Fund at the time when the payment is required without contravening the rules in COLL 5.

Derivatives and forward transactions

Only certain types of derivatives and forward transactions can be effected for a 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 one or more of the following (to which the Fund is dedicated): in 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 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.

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

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

Where a Fund invests in derivatives, the exposure to the underlying assets must not exceed the limits in points 3 - 10 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. Where the 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 3 - 10.

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

Any transaction in an over the counter derivative must be (a) 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); (b) 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) ; (c) 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 the value is unavailable, on the basis of a pricing model which the ACD and the Depositary have agreed uses an adequate recognised methodology); and (d) subject to verifiable valuation (i.e. if throughout the life of the derivative (if the transaction is entered into) verification of the valuations 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 purposes). Also, for the purposes of this paragraph, the ACD must establish, implement and maintain arrangements and procedures which ensure appropriate, transparent and fair valuation of the exposures of the Company to OTC Derivatives and ensure that the fair value of OTC Derivatives is subject to adequate, accurate and independent assessment. Where the arrangements and procedures involve the performance of certain activities by third parties, the ACD must comply with due diligence and additional requirements. The arrangements and procedures referred to in this paragraph must be adequate and proportionate to the nature and complexity of the OTC Derivative concerned and adequately documented.

Cover for transactions in derivatives and forward transactions

The maximum exposure (in terms of the principal or notional principal created by the transaction to which the scheme is or may be committed to another person) must be covered "globally". Exposure is covered globally if a Fund’s exposure does not exceed the net asset value of its Scheme Property, taking into account the value of the underlying assets, future market movements, counterparty risk and the time available to liquidate any position. The global exposure must be calculated on at least a daily basis.

Scheme Property subject to a permitted stocklending or repo transaction is available as cover if the ACD has taken reasonable care to determine that it is obtainable in time to meet the obligation for which cover is required. Global exposure relating to derivatives held in a Fund may not exceed the Net Asset Value of the Scheme Property of the Fund. 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), chapter 5.3 of the FCA Rules applies as if the borrowed currency and not the deposited currency were part of the Scheme Property.

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

For the **Global Tactical Asset Allocation 1 Fund**, the ACD uses a methodology known as "absolute VaR" (Value at Risk) to calculate market risk and thereby monitor and manage the global exposure. VaR is a measure of the potential loss to a stated level of confidence due to a Fund from market risk rather than Leverage and measures the potential loss at a given confidence level (probability) over a specific time period under normal market conditions.

Use of derivatives for each Fund

The Protected Funds and the Growth Funds and the Global Tactical Asset Allocation 1 Fund may use derivatives for investment purposes as well as for the purposes of efficient portfolio management (including hedging). The ACD does not anticipate that such use of derivatives will raise the risk profile of these Funds.

Investment in property

Any investment in land or a building held within the Scheme Property of a non-UCITS retail scheme must be an immovable. An immovable must:

(a) be situated in a country or territory identified in the prospectus for the purpose of this rule; and
(b) if situated in: (i) England and Wales or Northern Ireland, be a freehold or leasehold interest; or (ii) Scotland, be any interest or estate in or over land or heritable right including a long lease; or
(c) if not situated in the jurisdictions referred to in (b)(i) or (ii), be equivalent to any of the interests in (b)(i) or (ii) or, if no such equivalent interest is available in the jurisdiction, be an interest that grants beneficial ownership of the immovable to the scheme and provides as good a title as any of the interests in (b)(i) or (ii).

The ACD must have taken reasonable care to determine that the title to the immovable is a good marketable title.

Any furniture, fittings or other contents of any building may be regarded as part of the relevant immovable.

An immovable may be held through an intermediate holding vehicle or series of such vehicles whose purpose is to enable the holding of immovables, provided certain requirements of the FCA Rules are satisfied. Any investment in an intermediate holding vehicle for the purpose of holding an immovable shall be treated as if it were a direct investment in the immovable. **However, this section does not apply to any of the Funds as at the date of this Prospectus.**

Investment limits for immovables

Not more than 15% in value of the Scheme Property is to consist of any one immovable; except that the figure of 15% may be increased to 25% once the immovable has been included in the Scheme Property;

The income receivable from any one group in any accounting period must not be attributable to immovables comprising more than 25% or, in the case of a government or public body, more than 35% of the value of the Scheme Property;

Not more than 20% in value of the Scheme Property is to consist of mortgaged immovables and any mortgage must not secure more than 100% of the value in COLL 5.6.18 R (4) (on the assumption the immovable is not mortgaged);

An immovable may be mortgaged up to 100% of the value set out in the appropriate valuer's report provided that no more than 20% of the value of the Scheme Property consists of such immovables and any transferable securities which are not approved securities;

Not more than 50% in value of the Scheme Property is to consist of immovables which are unoccupied and non-income producing or in the course of substantial development, redevelopment or refurbishment; and

No option may be granted to a third party to buy any immovable comprised in the Scheme Property unless the value of the relevant immovable does not exceed 20% of the value of the Scheme Property together with, where appropriate, the value of investments in: unregulated collective investment schemes and any transferable securities which are not approved securities. **However, this section does not apply to any of the Funds as at the date of this Prospectus.**

Stocklending, Repos 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 contracts and/or stocklending transactions in respect of any Fund. The ACD has appointed State Street Bank & Trust Company ("SSBTC") to perform and enter into stocklending arrangements as agent for the Funds. SSBTC is entitled to receive a fee for its role in the stocklending arrangements; details are set out on page 41, under Section 7 ("Fees and Expenses").

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

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

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 the terms specified in the FCA Rules and the collateral is:
  - acceptable to the Depositary;

- adequate; and
- sufficiently immediate.

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

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

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

Subject to any other limitations within this Prospectus or in COLL 5, there is no limit on the Net Asset Value of the Scheme Property of any Fund which may be the subject of stocklending or repo transactions. **The expected amount of the scheme property which will be used for stocklending purposes for each Fund is set out within Appendix D.**

None of the Funds currently enter into repo transactions.

The Cautious Growth Fund, Balanced Growth Fund, Progressive Growth Fund, Adventurous Growth Fund, Capital Protected Fund 19*, Capital Protected Fund 20*, Capital Protected Fund 21 and Global Tactical Asset Allocation 1 Fund do not currently enter into stocklending transactions.

***This Fund is in the process of being terminated.**

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; and
- at all times at least equal in value to the value of the securities transferred by the Depositary; and in the form of one or more of (i) cash; (ii) a certificate of deposit; (iii) a letter of credit; (iv) a readily realisable security; (v) commercial paper with no embedded derivative content; or (vi) a qualifying money market fund;

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.

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.

Collateral will be subject to a “haircut” depending on the class of assets received and lent. The haircut policy depends on the quality of assets received or lent, their price volatility, together with the outcome of any stress tests performed under normal and exceptional market conditions.

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

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

Where the collateral is invested in units in a qualifying money market fund (being a fund which invests in money market instruments) managed or operated by (or, for an ICVC, whose authorised corporate director is) the ACD or an associate of the ACD, the conditions in paragraph 12 of Appendix B must be complied with.

Collateral 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 other criteria that minimise the correlation (or link) between collateral received and the default risk of the counterparty.

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

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

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

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

Borrowing Powers

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

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

These borrowing restrictions do not apply to "back to back" borrowing for currency hedging purposes (i.e. borrowing permitted in order to reduce or eliminate risk arising by reason of fluctuations in exchange rates).

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 Funds specified can invest more than 35% of its assets:-

Fund	Name of State, local authority or public international body
UK Index Linked Gilt Fund	The government of the United Kingdom

Maximum level of Leverage

In accordance with the AIFMD, the ACD is required to disclose the maximum level of Leverage which the ACD is entitled to employ on behalf of each of the Funds. The table below sets out such levels, as calculated in accordance with the gross method and the commitment method (as defined in the AIFMD):

Fund	Maximum expected level of leverage in accordance with the gross method	Maximum expected level of leverage in accordance with the commitment method
Cautious Growth Fund	300%	175%
Balanced Growth Fund	300%	175%
Progressive Growth Fund	300%	175%
Adventurous Growth Fund	300%	175%
Capital Protected Fund 19*	600%	110%
Capital Protected Fund 20*	600%	110%
Capital Protected Fund 21	600%	110%
UK Index Linked Gilt Fund	150%	125%
Corporate Bond PPF Fund	150%	125%

Corporate Bond Tracker Fund	150%	125%
Global Tactical Asset Allocation 1 Fund	600%	300%
Corporate Bond 1 Fund	500%	300%

*This Fund is in the process of being terminated.

Appendix C

Determination of Net Asset Value

Calculation of the Net Asset Value

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

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

2. property which is 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 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 basis;

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

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

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

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

5. all instructions given to issue or cancel Shares shall be assumed (unless the contrary is shown) to have been carried out (and any cash paid or received) and all consequential action required by the OEIC Regulations, the FCA Rules or the Instrument of Incorporation shall be assumed (unless the contrary has been shown) to have been taken whether or not this is the case;

6. subject to paragraph 7 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 assuming that all other persons in the ACD's employment take all reasonable steps to inform it immediately of the making of any agreement;

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 capital 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 SDRT;

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 income accrued due or deemed to have accrued but not received and any SDRT provision anticipated to be received;

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

Proportionate Interests

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

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

   (ii) The word "proportion" in the following paragraphs means the proportion which the balance on a Proportion Account at the relevant time bears to the balance on all the Proportion Accounts of a Fund at that time. The proportionate interest of a Class of share in the assets and income of a Fund is its "proportion".

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

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

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

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

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

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

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

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

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

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

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

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

Appendix D

Fund Details

Name:	**Cautious Growth Fund**
FCA Product Reference ("PRN"):	646152
Investment Objective:	To provide long term capital growth mainly through investment in collective investment schemes.
Investment Policy:	The Fund aims to provide exposure primarily to bonds and property, which may include UK Government bonds, index linked securities, other Sterling denominated fixed interest securities, covered bonds, high yield bonds, overseas bonds and UK or overseas property. The Fund may also provide exposure to any or all of the following asset classes: equities (which may include UK, overseas and emerging markets), private equity, hedge funds and commodities. The Fund aims to achieve exposure to the different asset classes mainly through investment in regulated and unregulated collective investment schemes which may include up to 100% investment in collective investment schemes managed, advised or operated by companies in the Group. In addition the Fund may invest directly or indirectly, at the Investment Adviser's discretion, in transferable securities including warrants, other collective investment schemes, money market instruments, cash, near cash, deposits, permitted derivative contracts and forward contracts. Use may also be made of stocklending/repos, borrowing, hedging and other techniques permitted by the FCA Rules. It is intended that derivatives will be used for investment purposes as well as for efficient portfolio management (as defined at page 3), including hedging of the Fund. The use of derivatives for the purpose of meeting the investment objective of the Fund is not intended to change the risk profile of the Fund. Non-sterling investments may be hedged back to sterling.
ISA:	It is intended that the Fund will be managed so as to ensure that shares in the Fund constitute qualifying investments for the purposes of the ISA Regulations**.**
Share Classes:	Class D gross accumulation shares Class E gross accumulation shares (see Note 1) Class F gross accumulation shares (see Note 2) Class P gross accumulation shares (see Note 3) Class Q gross accumulation shares (see Note 4) Class R gross accumulation shares (see Note 5) Class X gross accumulation shares (see Note 6)

Minimum Initial Investment:	Class D share class – ISA investment:	£1,000
	Class D share class – non-ISA investment:	£3,000
	Class E share class: – ISA investment:	£25,000
	Class F share class: – ISA investment:	£75,000
	Class P share class: – ISA investment:	£250 (holders of Class D Shares only) £1,000 (investors other than holders of Class D Shares)
	Class P share class:- non-ISA investment:	£250 (holders of Class D Shares only) £3,000 (investors other than holders of Class D Shares)
	Class Q share class: – ISA investment:	£250 (holders of Class E Shares only) £25,000 (investors other than holders of Class E Shares)
	Class R share class: – ISA investment:	£250 (holders of Class F Shares only) £75,000 (investors other than holders of Class F Shares)
	Class X share class:	£3,000
Minimum Subsequent Investment:	Class D share class: – ISA/non-ISA investment:	£250
	Class E share class: – ISA investment:	£250
	Class F share class: – ISA investment:	£250
	Class P share class: – ISA/non-ISA investment:	£250
	Class Q share class: – ISA investment:	£250
	Class R share class: – ISA investment:	£250
	Class X share class:	£250
Minimum Holding:	Class D share class – ISA investment:	£500 (see Note 7 below)
	Class D share class – non-ISA investment:	£500 (see Note 7 below)
	Class E share class: – ISA investment:	£25,000 (see Note 8 below)
	Class F share class: – ISA investment:	£75,000 (see Note 9 below)
	Class P share class: – ISA investment:	£500 (see Note 7 below)
	Class P share class: - non-ISA investment:	£500 (see Note 7 below)
	Class Q share class: – ISA investment:	£25,000 (see Note 8 below)
	Class R share class: – ISA investment:	£75,000 (see Note 9 below)
	Class X share class:	£500
Preliminary Charge:	Class D share class:	2%
	Class E share class:	2%
	Class F share class:	2%
	Class P share class:	0%
	Class Q share class:	0%
	Class R share class:	0%
	Class X share class:	2%
Annual Management Charge:	Class D share class:	1.5%
	Class E share class:	1.25%
	Class F share class:	1.0%

	Class P share class:	1.00%
	Class Q share class:	0.75%
	Class R share class:	0.50%
	Class X share class:	0.0 %
Switching Charge:	Class D share class:	0%
	Class E share class:	0%
	Class F share class:	0%
	Class P share class:	0%
	Class Q share class:	0%
	Class R share class:	0%
	Class X share class:	0%
Redemption Charge	Class D share class:	0%
	Class E share class:	0%
	Class F share class:	0%
	Class P share class:	0%
	Class Q share class:	0%
	Class R share class:	0%
	Class X share class:	0%

Interim Accounting Period(s)	1 September - 28 February (or 29 February if a leap year)
Income Allocation Date(s):	31 October (Annual)
Additional power re government & public securities:	Not applicable
Historic performance:	The Fund launched on 28 June 2010. Details of historic performance, when available, will be set out in Appendix H.
Additional Information:	This Fund invests principally in collective investment schemes. Such collective investment schemes are established principally in EEA States.
Status of Fund for UK tax purposes:	It is anticipated that the Fund will qualify as a Bond fund for UK tax purposes and therefore any income allocation will constitute an interest distribution.
Profile of typical investor:	The Fund is marketable towards retail and institutional investors who should have regard to both the Investment Objective and Policy of the Fund and the Risk Factors detailed in section 12 of this Prospectus. Investors are advised to consult with their professional advisers in respect of any investment decision.
Expected % of NAV to be used for stocklending purposes:	0%

Note 1: Class E share class is not available to any person other than:-

(a) persons who have made Qualifying Contributions of £25,000 or more but less than £75,000; or

(b) persons, not being 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.

Note 2: Class F share class is not available to any person other than:-

(a) persons who have made Qualifying Contributions of £75,000 or more; or

(b) persons, not being 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.

Note 3: Class P share class is not available to any person other than:-

(a) persons who are making New ISA Subscriptions and/or Non ISA Subscriptions; or

(b) persons, not being 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.

Note 4: Class Q share class is not available to any person other than:-

(a) persons who are making New ISA Subscriptions who have made Qualifying Contributions of £25,000 or more but less than £75,000; or

(b) persons, not being 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.

Note 5: Class R share class is not available to any person other than:-

(a) persons who are making New ISA Subscriptions who have made Qualifying Contributions of £75,000 or more; or

(b) persons, not being 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.

Note 6: Class X share class is not available to any person other than:-

(a) a company which is in the Group; 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.

Note 7: This minimum holding may be satisfied by a Shareholder's cumulative holdings in Class D and P share classes.

Note 8: This minimum holding may be satisfied by a Shareholder's cumulative holdings in Class E and Q share classes.

Note 9: This minimum holding may be satisfied by a Shareholder's cumulative holdings in Class F and R share classes.

Name:	**Balanced Growth Fund**
FCA Product Reference ("PRN"):	646153
Investment Objective:	To provide long term capital growth mainly through investment in collective investment schemes.
Investment Policy:	The Fund aims to provide exposure to a combination of equities, property and bonds. Equity exposure may include UK, overseas and emerging markets. Property exposure may include UK or overseas property. Bond exposure may include UK Government bonds, index linked securities, other Sterling denominated fixed interest securities, covered bonds, high yield bonds and overseas bonds. The Fund may also provide exposure to any or all of the following asset classes: private equity, hedge funds and commodities. The Fund aims to achieve exposure to the different asset classes mainly through investment in regulated and unregulated collective investment schemes which may include up to 100% investment in collective investment schemes managed, advised or operated by companies in the Group. In addition the Fund may invest directly or indirectly, at the Investment Adviser's discretion, in transferable securities including warrants, other collective investment schemes, money market instruments, cash, near cash, deposits, permitted derivative contracts and forward contracts. Use may also be made of stocklending/repos, borrowing, hedging and other techniques permitted by the FCA Rules. It is intended that derivatives will be used for investment purposes as well as for efficient portfolio management (as defined at page 3), including hedging of the Fund. The use of derivatives for the purpose of meeting the investment objective of the Fund is not intended to change the risk profile of the Fund. Non-sterling investments may be hedged back to sterling.
ISA:	It is intended that the Fund will be managed so as to ensure that shares in the Fund constitute qualifying investments for the purposes of the ISA Regulations**.**
Share Classes:	Class D net accumulation shares Class E net accumulation shares (see Note 1) Class F net accumulation shares (see Note 2) Class P net accumulation shares (see Note 3) Class Q net accumulation shares (see Note 4) Class R net accumulation shares (see Note 5) Class X net accumulation shares (see Note 6)
Minimum Initial Investment:	Class D share class – ISA investment: £1,000 Class D share class – non-ISA investment: £3,000 Class E share class: – ISA investment: £25,000 Class F share class: – ISA investment: £75,000 Class P share class: – ISA investment: £250 (holders of Class D

		Shares only) £1,000 (investors other than holders of Class D Shares)
	Class P share class:- non-ISA investment:	£250 (holders of Class D Shares only) £3,000 (investors other than holders of Class D Shares)
	Class Q share class: – ISA investment:	£250 (holders of Class E Shares only) £25,000 (investors other than holders of Class E Shares)
	Class R share class: – ISA investment:	£250 (holders of Class F Shares only) £75,000 (investors other than holders of Class F Shares)
	Class X share class:	£3,000
Minimum Subsequent Investment:	Class D share class: – ISA/non-ISA investment:	£250 (see Note 7 below)
	Class E share class: – ISA investment:	£250 (see Note 8 below)
	Class F share class: – ISA investment:	£250 (see Note 9 below)
	Class P share class: – ISA/non-ISA investment:	£250 (see Note 7 below)
	Class Q share class: – ISA investment:	£250 (see Note 8 below)
	Class R share class: – ISA investment:	£250 (see Note 9 below)
	Class X share class:	£250
Minimum Holding:	Class D share class – ISA investment:	£500
	Class D share class – non-ISA investment:	£500
	Class E share class: – ISA investment:	£25,000
	Class F share class: – ISA investment:	£75,000
	Class P share class: – ISA investment:	£500
	Class P share class: - non-ISA investment:	£500
	Class Q share class: – ISA investment:	£25,000
	Class R share class: – ISA investment:	£75,000
	Class X share class:	£500
Preliminary Charge:	Class D share class:	2%
	Class E share class:	2%
	Class F share class:	2%
	Class P share class:	0%
	Class Q share class:	0%
	Class R share class:	0%
	Class X share class:	2%
Annual Management Charge:	Class D share class:	1.5%
	Class E share class:	1.25%
	Class F share class:	1.0%
	Class P share class:	1.00%

	Class Q share class: 0.75% Class R share class: 0.50% Class X share class: 0.0%
Switching Charge:	Class D share class: 0% Class E share class: 0% Class F share class: 0% Class P share class: 0% Class Q share class: 0% Class R share class: 0% Class X share class: 0%
Redemption Charge	Class D share class: 0% Class E share class: 0% Class F share class: 0% Class P share class: 0% Class Q share class: 0% Class R share class: 0% Class X share class: 0%
Interim Accounting Period(s)	1 September - 28 February (or 29 February if a leap year)
Income Allocation Date(s):	31 October (Annual)
Additional power re government & public securities:	Not applicable
Historic performance:	The Fund launched on 28 June 2010. Details of historic performance, when available, will be set out in Appendix H.
Additional Information:	This Fund invests principally in collective investment schemes. Such collective investment schemes are established principally in EEA States.
Status of Fund for UK tax purposes:	It is anticipated that the Fund will not qualify as a Bond fund for UK tax purposes and therefore any income allocation will constitute a dividend distribution.
Profile of typical investor:	The Fund is marketable towards retail and institutional investors who should have regard to both the Investment Objective and Policy of the Fund and the Risk Factors detailed in section 12 of this Prospectus. Investors are advised to consult with their professional advisers in respect of any investment decision.
Expected % of NAV to be used for stocklending purposes:	0%

Note 1: Class E share class is not available to any person other than:-

(a) persons who have made Qualifying Contributions of £25,000 or more but less than £75,000; or

(b) persons, not being 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.

Note 2: Class F share class is not available to any person other than:-

(a) persons who have made Qualifying Contributions of £75,000 or more; or

(b) persons, not being 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.

Note 3: Class P share class is not available to any person other than:-

(a) persons who are making New ISA Subscriptions and/or Non ISA Subscriptions; or

(b) persons, not being 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.

Note 4: Class Q share class is not available to any person other than:-

(a) persons who are making New ISA Subscriptions who have made Qualifying Contributions of £25,000 or more but less than £75,000; or

(b) persons, not being 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.

Note 5: Class R share class is not available to any person other than:-

(a) persons who are making New ISA Subscriptions who have made Qualifying Contributions of £75,000 or more; or

(b) persons, not being 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.

Note 6: Class X share class is not available to any person other than:-

(a) a company which is in the Group; 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.

Note 7: This minimum holding may be satisfied by a Shareholder’s cumulative holdings in Class D and P share classes.

Note 8: This minimum holding may be satisfied by a Shareholder’s cumulative holdings in Class E and Q share classes.

Note 9: This minimum holding may be satisfied by a Shareholder’s cumulative holdings in Class F and R share classes.

Name:	**Progressive Growth Fund**
FCA Product Reference ("PRN"):	646154
Investment Objective:	To provide long term capital growth mainly through investment in collective investment schemes.
Investment Policy:	The Fund aims to provide exposure mainly to equities, which may include UK, overseas or emerging markets. The Fund may also provide some exposure to property and bonds, which may include UK or overseas property, UK Government bonds, index linked securities, other Sterling denominated fixed interest securities, covered bonds, high yield bonds and overseas bonds. The Fund may also provide exposure to any or all of the following asset classes: private equity, hedge funds and commodities. The Fund aims to achieve exposure to the different asset classes mainly through investment in regulated and unregulated collective investment schemes which may include up to 100% investment in collective investment schemes managed, advised or operated by companies in the Group. In addition the Fund may invest directly or indirectly, at the Investment Adviser's discretion, in transferable securities including warrants, other collective investment schemes, money market instruments, cash, near cash, deposits, permitted derivative contracts and forward contracts. Use may also be made of stocklending/repos, borrowing, hedging and other techniques permitted by the FCA Rules. It is intended that derivatives will be used for investment purposes as well as for efficient portfolio management (as defined at page 3), including hedging of the Fund. The use of derivatives for the purpose of meeting the investment objective of the Fund is not intended to change the risk profile of the Fund. Non-sterling investments may be hedged back to sterling.
ISA:	It is intended that the Fund will be managed so as to ensure that shares in the Fund constitute qualifying investments for the purposes of the ISA Regulations**.**
Share Classes:	Class D net accumulation shares Class E net accumulation shares (see Note 1) Class F net accumulation shares (see Note 2) Class P net accumulation shares (see Note 3) Class Q net accumulation shares (see Note 4) Class R net accumulation shares (see Note 5) Class X net accumulation shares (see Note 6)
Minimum Initial Investment:	Class D share class – ISA investment: £1,000 Class D share class – non-ISA investment: £3,000 Class E share class: – ISA investment: £25,000 Class F share class: – ISA investment: £75,000 Class P share class: – ISA investment: £250 (holders of Class

		D Shares only)
		£1,000 (investors other than holders of Class D Shares)
	Class P share class:- non-ISA investment:	£250 (holders of Class D Shares only)
		£3,000 (investors other than holders of Class D Shares)
	Class Q share class: – ISA investment:	£250 (holders of Class E Shares only)
		£25,000 (investors other than holders of Class E Shares)
	Class R share class: – ISA investment:	£250 (holders of Class F Shares only)
		£75,000 (investors other than holders of Class F Shares)
	Class X share class:	£3,000
Minimum Subsequent Investment:	Class D share class: – ISA/non-ISA investment:	£250
	Class E share class: – ISA investment:	£250
	Class F share class: – ISA investment:	£250
	Class P share class: – ISA/non-ISA investment:	£250
	Class Q share class: – ISA investment:	£250
	Class R share class: – ISA investment:	£250
	Class X share class:	£250
Minimum Holding:	Class D share class – ISA investment:	£500 (see Note 7 below)
	Class D share class – non-ISA investment:	£500 (see Note 7 below)
	Class E share class: – ISA investment:	£25,000 (see Note 8 below)
	Class F share class: – ISA investment:	£75,000 (see Note 9 below)
	Class P share class: – ISA investment:	£500 (see Note 7 below)
	Class P share class: - non-ISA investment:	£500 (see Note 7 below)
	Class Q share class: – ISA investment:	£25,000 (see Note 8 below)
	Class R share class: – ISA investment:	£75,000 (see Note 9 below)
	Class X share class:	£500
Preliminary Charge:	Class D share class:	2%
	Class E share class:	2%
	Class F share class:	2%
	Class P share class:	0%
	Class Q share class:	0%
	Class R share class:	0%
	Class X share class:	2%

Annual Management Charge:	Class D share class: 1.5% Class E share class: 1.25% Class F share class: 1.0% Class P share class: 1.00% Class Q share class: 0.75% Class R share class: 0.50% Class X share class: 0.0%
Switching Charge:	Class D share class: 0% Class E share class: 0% Class F share class: 0% Class P share class: 0% Class Q share class: 0% Class R share class: 0% Class X share class: 0%
Redemption Charge	Class D share class: 0% Class E share class: 0% Class F share class: 0% Class P share class: 0% Class Q share class: 0% Class R share class: 0% Class X share class: 0%
Interim Accounting Period(s)	1 September - 28 February (or 29 February if a leap year)
Income Allocation Date(s):	31 October (Annual)
Additional power re government & public securities:	Not applicable
Historic performance:	The Fund launched on 28 June 2010. Details of historic performance, when available, will be set out in Appendix H.
Additional Information:	This Fund invests principally in collective investment schemes. Such collective investment schemes are established principally in EEA States.
Status of Fund for UK tax purposes:	It is anticipated that the Fund will not qualify as a Bond fund for UK tax purposes and therefore any income allocation will constitute a dividend distribution.
Profile of typical investor:	The Fund is marketable towards retail and institutional investors who should have regard to both the Investment Objective and Policy of the Fund and the Risk Factors detailed in section 12 of this Prospectus. Investors are advised to consult with their professional advisers in respect of any investment decision.
Expected % of NAV to be used for stocklending purposes:	0%

Note 1: Class E share class is not available to any person other than:-

(a) persons who have made Qualifying Contributions of £25,000 or more but less than £75,000; or

(b) persons, not being 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.

Note 2: Class F share class is not available to any person other than:-
(a) persons who have made Qualifying Contributions of £75,000 or more; or
(b) persons, not being 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.

Note 3: Class P share class is not available to any person other than:-
(a) persons who are making New ISA Subscriptions and/or Non ISA Subscriptions; or
(b) persons, not being 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.

Note 4: Class Q share class is not available to any person other than:-
(a) persons who are making New ISA Subscriptions who have made Qualifying Contributions of £25,000 or more but less than £75,000; or
(b) persons, not being 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.

Note 5: Class R share class is not available to any person other than:-
(a) persons who are making New ISA Subscriptions who have made Qualifying Contributions of £75,000 or more; or
(b) persons, not being 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.

Note 6: Class X share class is not available to any person other than:-
(a) a company which is in the Group; 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.

Note 7: This minimum holding may be satisfied by a Shareholder's cumulative holdings in Class D and P share classes.

Note 8: This minimum holding may be satisfied by a Shareholder's cumulative holdings in Class E and Q share classes.

Note 9: This minimum holding may be satisfied by a Shareholder's cumulative holdings in Class F and R share classes.

Name:	**Adventurous Growth Fund**
FCA Product Reference ("PRN"):	646155
Investment Objective:	To provide long term capital growth mainly through investment in collective investment schemes.
Investment Policy:	The Fund aims to provide exposure primarily to equities, which may include UK, overseas or emerging markets. The Fund may also provide exposure to any or all of the following asset classes: bonds (which may include UK Government bonds, index linked securities other Sterling denominated fixed interest securities, covered bonds, high yield bonds and overseas bonds), private equity, hedge funds, commodities, as well as UK or overseas property. The Fund aims to achieve exposure to the different asset classes mainly through investment in regulated and unregulated collective investment schemes which may include up to 100% investment in collective investment schemes managed, advised or operated by companies in the Group. In addition the Fund may invest directly or indirectly, at the Investment Adviser's discretion, in transferable securities including warrants, other collective investment schemes, money market instruments, cash, near cash, deposits, permitted derivative contracts and forward contracts. Use may also be made of stocklending/repos, borrowing, hedging and other techniques permitted by the FCA Rules. It is intended that derivatives will be used for investment purposes as well as for efficient portfolio management (as defined at page 3), including hedging of the Fund. The use of derivatives for the purpose of meeting the investment objective of the Fund is not intended to change the risk profile of the Fund. Non-sterling investments may be hedged back to sterling.
ISA:	It is intended that the Fund will be managed so as to ensure that shares in the Fund constitute qualifying investments for the purposes of the ISA Regulations**.**
Share Classes:	Class D net accumulation shares Class E net accumulation shares (see Note 1) Class F net accumulation shares (see Note 2) Class P net accumulation shares (see Note 3) Class Q net accumulation shares (see Note 4) Class R net accumulation shares (see Note 5) Class X net accumulation shares (see Note 6)
Minimum Initial Investment:	Class D share class – ISA investment: £1,000 Class D share class – non-ISA investment: £3,000 Class E share class: – ISA investment: £25,000 Class F share class: – ISA investment: £75,000 Class P share class: – ISA investment: £250 (holders of Class D Shares only)

		£1,000 (investors other than holders of Class D Shares)
	Class P share class:- non-ISA investment:	£250 (holders of Class D Shares only) £3,000 (investors other than holders of Class D Shares)
	Class Q share class: – ISA investment:	£250 (holders of Class E Shares only) £25,000 (investors other than holders of Class E Shares)
	Class R share class: – ISA investment:	£250 (holders of Class F Shares only) £75,000 (investors other than holders of Class F Shares)
	Class X share class:	£3,000
Minimum Subsequent Investment:	Class D share class: – ISA/non-ISA investment:	£250
	Class E share class: – ISA investment:	£250
	Class F share class: – ISA investment:	£250
	Class P share class: – ISA/non-ISA investment:	£250
	Class Q share class: – ISA investment:	£250
	Class R share class: – ISA investment:	£250
	Class X share class:	£250
Minimum Holding:	Class D share class – ISA investment:	£500 (see Note 7 below)
	Class D share class – non-ISA investment:	£500 (see Note 7 below)
	Class E share class: – ISA investment:	£25,000 (see Note 8 below)
	Class F share class: – ISA investment:	£75,000 (see Note 9 below)
	Class P share class: – ISA investment:	£500 (see Note 7 below)
	Class P share class: - non-ISA investment:	£500 (see Note 7 below)
	Class Q share class: – ISA investment:	£25,000 (see Note 8 below)
	Class R share class: – ISA investment:	£75,000 (see Note 9 below)
	Class X share class:	£500
Preliminary Charge:	Class D share class:	2%
	Class E share class:	2%
	Class F share class:	2%
	Class P share class:	0%
	Class Q share class:	0%
	Class R share class:	0%
	Class X share class:	2%
Annual Management Charge:	Class D share class:	1.5%
	Class E share class:	1.25%
	Class F share class:	1.0%
	Class P share class:	1.00%
	Class Q share class:	0.75%
	Class R share class:	0.50%
	Class X share class:	0.0%

Switching Charge:	Class D share class:	0%
	Class E share class:	0%
	Class F share class:	0%
	Class P share class:	0%
	Class Q share class:	0%
	Class R share class:	0%
	Class X share class:	0%
Redemption Charge	Class D share class:	0%
	Class E share class:	0%
	Class F share class:	0%
	Class P share class:	0%
	Class Q share class:	0%
	Class R share class:	0%
	Class X share class:	0%

Interim Accounting Period(s)	1 September - 28 February (or 29 February if a leap year)
Income Allocation Date(s):	31 October (Annual)
Additional power re government & public securities:	Not applicable
Historic performance:	The Fund launched on 28 June 2010. Details of historic performance, when available, will be set out in Appendix H.
Additional Information:	This Fund invests principally in collective investment schemes. Such collective investment schemes are established principally in EEA States.
Status of Fund for UK tax purposes:	It is anticipated that the Fund will not qualify as a Bond fund for UK tax purposes and therefore any income allocation will constitute a dividend distribution.
Profile of typical investor:	The Fund is marketable towards retail and institutional investors who should have regard to both the Investment Objective and Policy of the Fund and the Risk Factors detailed in section 12 of this Prospectus. Investors are advised to consult with their professional advisers in respect of any investment decision.
Expected % of NAV to be used for stocklending purposes:	0%

Note 1: Class E share class is not available to any person other than:-

(a) persons who have made Qualifying Contributions of £25,000 or more but less than £75,000; or

(b) persons, not being 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.

Note 2: Class F share class is not available to any person other than:-

(a) persons who have made Qualifying Contributions of £75,000 or more; or

(b) persons, not being 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.

Note 3: Class P share class is not available to any person other than:-

(a) persons who are making New ISA Subscriptions and/or Non ISA Subscriptions; or

(b) persons, not being 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.

Note 4: Class Q share class is not available to any person other than:-

(a) persons who are making New ISA Subscriptions who have made Qualifying Contributions of £25,000 or more but less than £75,000; or

(b) persons, not being 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.

Note 5: Class R share class is not available to any person other than:-

(a) persons who are making New ISA Subscriptions who have made Qualifying Contributions of £75,000 or more; or

(b) persons, not being 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.

Note 6: Class X share class is not available to any person other than:-

(a) a company which is in the Group; 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.

Note 7: This minimum holding may be satisfied by a Shareholder’s cumulative holdings in Class D and P share classes.

Note 8: This minimum holding may be satisfied by a Shareholder’s cumulative holdings in Class E and Q share classes.

Note 9: This minimum holding may be satisfied by a Shareholder’s cumulative holdings in Class F and R share classes.

Name:	**Global Tactical Asset Allocation 1 Fund**
FCA Product Reference ("PRN"):	646166
Investment Objective:	To provide a positive return over 3 year rolling periods independent of market conditions. Capital in the Fund is at risk and there is no guarantee that the Fund will deliver a positive return over that specific, or any, time period
Investment Policy:	The Fund will invest primarily in derivative instruments, which may include futures, options, swaps, forward currency contracts, and contracts for difference. The investment manager will operate a tactical asset allocation policy. As a result, the Fund's exposures to asset classes and markets will vary over time at the investment manager's discretion. All or a substantial proportion of the physical (non-derivative) assets of the Fund may at any time consist of cash, near cash, deposits and/or money market instruments when the active risk exposure is achieved through derivatives. Tactical, active long and short positions may be taken through the use of derivatives in a range of asset classes. Exposure to equities and equity-linked securities will be taken at regional levels as well as in specific countries. Bond exposure may include government and supranational bonds, investment and non-investment grade corporate bonds, index-linked bonds, covered bonds and emerging markets government debt. Bond exposure will be achieved primarily through index-based derivative instruments and government bond future contracts, as well as select physical (non-derivative) holdings. Commodity exposure will be achieved through index-based commodity derivative instruments and exchange-traded funds in sectors including agriculture, precious metals, industrial metals and energy. Currency exposure will be linked to positions in the underlying markets. Over-the-counter (OTC) instruments such as index-based total return swaps may be used for property and commodities exposures. Credit default swaps may be used to achieve broad credit exposures. **This fund does not currently use such total return swaps.** The fund may also invest in transferable securities, other collective investment schemes, warrants and money market instruments including cash, near cash and deposits. Derivatives may also be used for efficient portfolio management purposes.
Share Classes:	Class X net accumulation shares (see Note 1)

Minimum Initial Investment:	Class X share class:	£1,000,000
Minimum Subsequent Investment:	Class X share class:	£500,000
Minimum Holding:	Class X share class:	£500,000
Preliminary Charge:	Class X share class:	0.0%
Annual Management Charge:	Class X share class:	0.0 %
Switching Charge:	Class X share class:	0%
Redemption Charge	Class X share class:	0.00%
Interim Accounting Period(s)	1 September - 28 February (or 29 February if a leap year)	
Income Allocation Date(s):	31 October (Annual)	
Additional power re government & public securities:	Not applicable	
Historic performance:	The Fund launched on 26 June 2014. Details of historic performance, when available, will be set out in Appendix H.	
Profile of typical investor:	The Fund is marketable towards retail and institutional investors who should have regard to both the Investment Objective and Policy of the Fund and the Risk Factors detailed in section 12 of this Prospectus. Investors are advised to consult with their professional advisers in respect of any investment decision.	
Expected % of NAV to be used for stocklending purposes:	0%	

Note 1: Class X share class is not available to any person other than:-

(a) a company which is in the Group; 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.

Name:	**Corporate Bond 1 Fund**
FCA Product Reference ("PRN"):	649064
Investment Objective:	To provide long term capital growth.
Investment Policy:	The Fund will invest predominantly in a diversified portfolio of investment grade corporate bonds issued anywhere in the world. The Fund may also invest in other transferable securities, money market instruments, deposits, cash, near cash, other collective investment schemes and warrants. Derivatives may be used for investment purposes as well as for efficient portfolio management, including hedging of the Fund. The use of derivatives for the purpose of meeting the investment objective of the Fund is not intended to change the risk profile of the Fund.. Use may also be made of stocklending/repos and hedging. Non-sterling investments may be hedged back to sterling.
Share Classes:	Class W gross accumulation shares (see Note 1)
Minimum Initial Investment:	Class W share class: £1,000,000
Minimum Subsequent Investment:	Class W share class: £500,000
Minimum Holding:	Class W share class: £500,000
Preliminary Charge:	Class W share class: 0.0%
Annual Management Charge:	Class W share class: 0.0 %
Switching Charge:	Class W share class: 0%
Redemption Charge	Class W share class: 0.00%
Interim Accounting Period(s)	1 September - 28 February (or 29 February if a leap year)
Income Allocation Date(s):	31 October (annual) 31 January, 30 April, 31 July (interim)
Additional power re government & public securities:	Not applicable
Historic performance:	The Fund launched on 25 September 2014. Details of historic performance, when available, will be set out in Appendix H.
Status of Fund for UK tax purposes:	It is anticipated that the Fund will qualify as a Bond fund for UK tax purposes and therefore any income allocation will constitute an interest distribution.

Profile of typical investor:	The Fund is marketed to institutional investors who should have regard to both the Investment Objective and Policy of the Fund and the Risk Factors detailed in section 12 of this Prospectus. Investors are advised to consult with their professional advisers in respect of any investment decision.
Expected % of NAV to be used for stocklending purposes:	0-20%

Note 1: Class W share class is not available to any person other than:-

(a) a company which is in the Group; 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.

Name:	**Corporate Bond Tracker Fund**
FCA Product Reference ("PRN"):	646167
Investment Objective:	To track the performance of the iBoxx Sterling Non-Gilts Index.
Investment Policy:	The Fund will invest predominantly in the securities that make up the constituents of the iBoxx Sterling Non-Gilts Index. The Fund may also invest in other transferable securities, (including asset backed securities such as securitised loans (Sterling)), cash and near cash, deposits, money market instruments, other collective investment schemes and warrants. **It is not currently intended that derivatives will be used for any purpose other than the efficient portfolio management (including hedging) of the Fund, although derivatives may, subject to the ACD giving not less than 60 days' notice to shareholders, be used in the pursuit of its investment objective in the future as well as for efficient portfolio management (including hedging) which may change the risk profile of the Fund.** Use may also be made of stocklending/repos and hedging.
Share Classes:	Class W gross accumulation shares (see Note 1)
Minimum Initial Investment:	Class W share class: £1,000,000
Minimum Subsequent Investment:	Class W share class: £500,000
Minimum Holding:	Class W share class: £500,000
Preliminary Charge:	Class W share class: 0.0%
Annual Management Charge:	Class W share class: 0.0 %
Switching Charge:	Class W share class: 0%
Redemption Charge	Class W share class: 0.00%
Interim Accounting Period(s)	1 September - 28 February (or 29 February if a leap year)
Income Allocation Date(s):	31 October (annual) 31 January, 30 April, 31 July (interim)
Additional power re government & public securities:	Not applicable
Historic performance:	The Fund launched on 13 June 2014. Details of historic performance, when available, will be set out in Appendix H.

Status of Fund for UK tax purposes:	It is anticipated that the Fund will qualify as a Bond fund for UK tax purposes and therefore any income allocation will constitute an interest distribution.
Profile of typical investor:	The Fund is marketed to institutional investors who should have regard to both the Investment Objective and Policy of the Fund and the Risk Factors detailed in section 12 of this Prospectus. Investors are advised to consult with their professional advisers in respect of any investment decision.
Expected % of NAV to be used for stocklending purposes:	0-25%

Note 1: Class W share class is not available to any person other than:-

(a) a company which is in the Group; 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.

Name:	**Corporate Bond PPF Fund**
FCA Product Reference (“PRN”):	646168
Investment Objective:	To provide a return consistent with the variations in market annuity rates with the aim of reducing annuity conversion risk.
Investment Policy:	The Fund will invest predominantly in long dated UK corporate fixed interest securities. In aiming to reduce the risk of annuity conversions, the fund manager will refer to target duration and credit ratings as part of the fund management strategy. The targets will be identified at the ACD’s discretion and may change in line with market annuity rates and fixed interest yields. The Fund may also invest in government index linked securities as well as in other transferable securities, cash or near cash instruments, deposits, money market instruments, other collective investment schemes and warrants. The Fund does not provide any guarantee of the level of pension in retirement or the cost of buying that pension. It may not be effective for those who intend to buy an inflation-linked pension and does not provide protection against changes in the cost of buying a pension that arise from changes in life expectancy. **It is not currently intended that derivatives will be used for any purpose other than the efficient portfolio management (including hedging) of the Fund, although derivatives may, subject to the ACD giving not less than 60 days' notice to shareholders, be used in the pursuit of its investment objective in the future as well as for efficient portfolio management (including hedging) which may change the risk profile of the Fund.** Use may also be made of stocklending/repos and hedging.
Share Classes:	Class W gross accumulation shares (see Note 1)
Minimum Initial Investment:	Class W share class: £1,000,000
Minimum Subsequent Investment:	Class W share class: £500,000
Minimum Holding:	Class W share class: £500,000
Preliminary Charge:	Class W share class: 0.0%
Annual Management Charge:	Class W share class: 0.0 %
Switching Charge:	Class W share class: 0%
Redemption Charge	Class W share class: 0.00%
Interim Accounting Period(s)	1 September - 28 February (or 29 February if a leap year)

Income Allocation Date(s):	31 October (annual) 31 January, 30 April, 31 July (interim)
Additional power re government & public securities:	Not applicable
Historic performance:	The Fund launched on 9 April 2014. Details of historic performance, when available, will be set out in Appendix H.
Status of Fund for UK tax purposes:	It is anticipated that the Fund will qualify as a Bond fund for UK tax purposes and therefore any income allocation will constitute an interest distribution.
Profile of typical investor:	The Fund is marketed to institutional investors who should have regard to both the Investment Objective and Policy of the Fund and the Risk Factors detailed in section 12 of this Prospectus. Investors are advised to consult with their professional advisers in respect of any investment decision.
Expected % of NAV to be used for stocklending purposes:	0-20%

Note 1: Class W share class is not available to any person other than:-

(a) a company which is in the Group; 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.

Name:	**UK Index Linked Gilt Fund**
FCA Product Reference ("PRN"):	646169
Investment Objective:	The Fund aims to maximise returns based on a combination of income and capital.
Investment Policy:	The Fund will invest predominantly in index-linked interest bearing securities issued by the UK government. The Fund may also invest in other types of index-linked securities, including those issued by other governments as well as in other transferable securities, money market instruments, deposits, cash, near cash, other collective investment schemes and warrants. **It is not currently intended that derivatives will be used for any purpose other than the efficient portfolio management (including hedging) of the Fund, although derivatives may, subject to the ACD giving not less than 60 days' notice to shareholders, be used in the pursuit of its investment objective in the future as well as for efficient portfolio management (including hedging) which may change the risk profile of the Fund.** Use may also be made of stocklending/repos and hedging. Non-sterling investments may be hedged back to sterling.
Share Classes:	Class W gross accumulation shares (see Note 1)
Minimum Initial Investment:	Class W share class: £1,000,000
Minimum Subsequent Investment:	Class W share class: £500,000
Minimum Holding:	Class W share class: £500,000
Preliminary Charge:	Class W share class: 0.0%
Annual Management Charge:	Class W share class: 0.0%
Switching Charge:	Class W share class: 0%
Redemption Charge	Class W share class: 0%
Interim Accounting Period(s)	1 September - 28 February (or 29 February if a leap year)
Income Allocation Date(s):	31 October (annual) 31 January, 30 April, 31 July (interim)
Additional power re government & public securities:	Not applicable
Historic performance:	The Fund launched on 19 March 2014. Details of historic performance, when available, will be set out in Appendix H.

Status of Fund for UK tax purposes:	It is anticipated that the Fund will qualify as a Bond fund for UK tax purposes and therefore any income allocation will constitute an interest distribution.
Profile of typical investor:	The Fund is marketed to institutional investors who should have regard to both the Investment Objective and Policy of the Fund and the Risk Factors detailed in section 12 of this Prospectus. Investors are advised to consult with their professional advisers in respect of any investment decision.
Expected % of NAV to be used for stocklending purposes:	0-30%

Note 1: Class W share class is not available to any person other than:-

(a) a company which is in the Group; 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.

Name:	**Capital Protected Fund 19** **[This fund is in the process of being terminated and is therefore not currently available for new investments.]**
FCA Product Reference ("PRN"):	646161
Investment Objective:	The Fund aims to provide investors with a Capital Protected Price on the Protection Date which, when multiplied by the number of Shares held will be at least equal to the value of those Shares on the Derivative Date (plus the Preliminary Charge that is applied to amounts invested during the Cash Investment Period). In addition, on the Protection Date the Fund aims to provide a return (the "Index Return") based on the performance of the Index during the Growth Potential Period. Details of how the Index Return is calculated are noted below.
Note to the Investment Objective:	Where the Index, or any part of it, ceases to be calculated or published, is modified, disrupted or cancelled or is otherwise unable to be used for the purpose of the stated investment objective of the Fund, the ACD may, in accordance with the FCA Rules, substitute any other index or indices or take any steps which it considers necessary to achieve (insofar as possible to do so in the circumstances) the investment objective of the Fund. For example if no value for the Index, or any part of it, is published on the relevant Derivative Date, the ACD may use such published value as it determines. If no such value is published within a timeframe to be agreed by the ACD and the relevant counterparty, an independent Calculation Agent may be appointed. This may affect the achievement of the stated investment objective. The ACD is not required to take any such steps (which are not limited to the example set out above) but will have regard to the prevailing circumstances when considering the appropriate action (if any) to be taken.
Investment Policy:	To hold the Scheme Property principally on deposit in cash, near cash and/or collective investment schemes until the Derivative Date. Thereafter the Scheme Property will be invested principally in over the counter derivatives or exchange traded derivatives (as the ACD may in its discretion choose) designed to provide the Capital Protected Price and the Index Return. During the Redemption Period, the Scheme Property will be held principally on deposit in cash or near cash and/or 1 or more collective investment schemes (as the ACD shall at its discretion determine).
Note to the Investment Objective and policy:	Shareholders should also refer to the specific risk factors for the **Protected Funds** and the examples below.

Index Return	The Index Return will be a percentage participation (the "Participation Rate") of the Increase (if any) in the Index that arises during the Growth Potential Period. The Increase (as defined below) (if any) in the Index that arises during the Growth Potential Period is subject to the Upper Limit (as defined below). The relevant Participation Rate, the methods used to determine any Increase and the length of the relevant Growth Potential Period will be communicated to investors prior to the launch of the Fund.
Termination Event:	On the End Date, the ACD will automatically redeem all the Shares then in issue, after which the Fund will terminate.

Further information in relation to Capital Protected Fund 19	
Cash Investment Period	Monday 9 May 2011 to Friday 2 September 2011
Derivative Date	Friday 16 September 2011
Protection Date	Monday 4 September 2017
Redemption Period	4 September 2017 – 27 October 2017
End Date	30 October 2017
Participation Rate	100 %
Upper Limit	82% (this is a cap on the Increase such that if the Increase is greater than 82% Shareholders will only get an increase of 82%) (i.e. the Participation Rate x 82% = 82%)
Issue Limit	£68,600,000
Index	FTSE 100 (or such other leading global large cap index or indices as the ACD shall in its discretion determine)
ACD's policy on Averaging in accordance with the derivative structure of the Fund	The average of the closing levels of the Index on UK stockmarket trading days over the last 12 months of the Growth Potential Period.
ISA:	It is intended that the Fund will be managed so as to ensure that shares in the Fund constitute qualifying investments for the purposes of the ISA Regulations.

Share Class:	Class M net accumulation shares (see Section 4)	
Minimum Initial Investment:	Class M share class:	£ 1,000 in Stocks and Shares ISA £3,000 in non-ISA
Minimum Subsequent Investment:	Class M share class:	£250
Minimum Holding:	Class M share class:	£500
Preliminary Charge:	Class M share class:	The rate is 7.99%
Annual Management Charge:	Class M share class:	The rate is 0.00%.
Switching Charge:	Not applicable	
Redemption Charge	Class M share class:	The rate is 0.00%.
Interim Accounting Period(s):	Monday 9 May 2011 to Friday 16 September 2011	
Income Allocation Date(s):	31 October (Annual) Derivative Date (interim)	
Additional power re government & public securities:	Not applicable	
Historic performance:	The Fund launched on 9 May 2011. Details of historic performance, when available, are set out in Appendix H.	
Additional Information:	This Fund may invest principally in deposits in cash, near cash and/or collective investment schemes until the Derivative Date. This Fund will invest principally in derivatives during the Growth Potential Period. This Fund may invest principally in deposits, cash and near cash and/or 1 or more collective investment schemes during the Redemption Period. The ACD intends to use the closing level of the Index on the Derivative Date as the starting point for determining the Increase (if any) for this Fund.	
Status of Fund for UK tax purposes:	The Fund is not a Bond fund for UK tax purposes and therefore any income allocations will constitute a dividend distribution. However, corporate Shareholders should note that an investment in this Fund may be treated by HMRC as a loan relationship during certain accounting periods (see Section 9 of this Prospectus for further details).	
Profile of typical investor:	The Fund is marketable towards retail investors who should have regard to both the Investment Objective and Policy of the Fund and the Risk Factors detailed in section 12 of this Prospectus. Investors are advised to consult with their professional advisers in respect of any investment decision.	

Expected % of NAV to be used for stocklending purposes:	0%

Additional Definitions in respect of Capital Protected Fund 19

"Averaging"	A technique to determine whether there has been any rise in the Index, or any part of it, over the Growth Potential Period by taking an average of that Index on specific dates (the extent to which averaging will be used by the ACD will be disclosed prior to the launch of the Fund);
"Increase"	means the amount (if any) (expressed as a percentage and subject to the Upper Limit) by which the Index has grown over the Growth Potential Period and subject to any Averaging;

Examples

The examples set out below show how this Capital Protected Fund is intended to work.

They are for illustrative purposes only and the actual value of a Shareholder's investment is likely to be different to those shown.

There is no guarantee that there will be any percentage rise in the Index: there may be a percentage fall or only a small percentage rise. The ACD does not represent that any particular percentage rise in the Index will occur.

Minimum value on Protection Date

Shareholder sends a cheque for (the initial Investment)	£10,000.00
Preliminary Charge	7.99%
Amount used to buy Shares i.e. after deduction of Preliminary Charge	£9,201.00
Price of Shares when purchased	100.00p
Number of Shares purchased i.e. £9,201 divided by 100.00p	9,201
Effect of interest increases Share price on Derivative Date to	101.00p
Value of Shares on Derivative Date i.e. 9,201 x 101.00p	£9,293.01
Capital Protected Price of a Share i.e. 101.00p ÷ (1 - 0.0799) with answer rounded up to nearest 1/100th of a penny*	109.78p
Minimum value on the Protection Date and assuming no Shares are sold i.e. 9,201 x 109.78p	£10,100.86
Minimum value on the Protection Date assuming 50% of Shares are sold i.e. 4,600.50 x 109.78p	£5,050.43

* The effect of this calculation is to create a Capital Protected Price which when multiplied by the number of shares owned (see next line) determines the minimum value that the fund aims to achieve on the Protection Date. This minimum value includes the amount invested in the fund, the Preliminary Charge and interest between the date the investment is made and the Derivative Date. The effect of dividing the

share price by (1- 0.0799) is to add back the Preliminary Charge of 7.99% that was deducted from the Initial Investment.

Example showing the effect of a fall in the Index

Value of Index on the Derivative Date	5,000
Participation Rate	100%
Value of Index on Protection Date	4,250
Percentage fall in the Index i.e. (4,250 ÷ 5,000) -1 x 100	-15%
Value of investment on the Protection Date assuming no Shares are sold is based on Capital Protected Price i.e. 9,201 x 109.78p	£10,100.86
Value of investment on the Protection Date assuming 50% of Shares are sold is based on Capital Protected Price i.e. 4,600.50 x 109.78p	£5,050.43

Example showing the effect of a rise in the Index, with the Upper Limit

Value of Index on the Derivative Date	5,000
Participation Rate	100%
Upper Limit	82%
Value of Index on Protection Date	9,200
Percentage rise in the Index i.e. (9,200 ÷ 5,000)-1 x 100	84%
Is the percentage rise in the Index greater than the Upper Limit?	Yes
Participation Rate x Upper Limit on percentage rise in the Index (i.e. 100% x 82%)	82%
Share price of fund on Protection Date (Capital Protected Price of 109.78p x (1+0.82))	199.80p
Value of investment on the Protection Date assuming no shares are sold i.e. 9,201 x 199.80p	£18,383.60
Value of investment on the Protection Date assuming 50% of Shares are sold i.e. 4,600.50 x 199.80p	£9,191.80

What a Shareholder in the Fund should get back on the Protection Date is as follows:

- on the Derivative Date the ACD will determine the Capital Protected Price a Shareholder should get on the Protection Date (if Shares are held continuously until this date). This is the total of the Shareholder's payment (including any preliminary charge) and any interest.
- on the Protection Date the ACD will work out the Increase (if any) during the Growth Potential Period . In determining any percentage rise, the ACD will use "Averaging". This is a method commonly used to protect investors from volatility in capital markets and the method tends to even out rises and falls. The effect of Averaging could be to reduce the investment potential of the Fund.
- if there is a percentage rise, Shareholders should get back the Capital Protected Price increased by a specified percentage of that rise.
- if there is a percentage fall or no change, Shareholders should get back the Capital Protected Price.

Averaging is intended to provide shareholders with extra protection from sudden changes in the level of the Index, or any part of it, but it could also have the effect of reducing growth**.** If, there is considerable market disruption, the ACD may, in its use of Averaging, discount any Business Day when the value of the chosen Index, or any part of it, is not published.

Name:	**Capital Protected Fund 20** **[This fund is in the process of being terminated and is therefore not currently available for new investments.]**
FCA Product Reference ("PRN"):	646162
Investment Objective:	The Fund aims to provide investors with a Capital Protected Price on the Protection Date which, when multiplied by the number of Shares held will be at least equal to the value of those Shares on the Derivative Date (plus the Preliminary Charge that is applied to amounts invested during the Cash Investment Period). In addition, on the Protection Date the Fund aims to provide a return (the "Index Return") based on the performance of the Index during the Growth Potential Period. Details of how the Index Return is calculated are noted below.
Note to the Investment Objective:	Where the Index, or any part of it, ceases to be calculated or published, is modified, disrupted or cancelled or is otherwise unable to be used for the purpose of the stated investment objective of the Fund, the ACD may, in accordance with the FCA Rules, substitute any other index or indices or take any steps which it considers necessary to achieve (insofar as possible to do so in the circumstances) the investment objective of the Fund. For example if no value for the Index, or any part of it, is published on the relevant Derivative Date, the ACD may use such published value as it determines. If no such value is published within a timeframe to be agreed by the ACD and the relevant counterparty, an independent Calculation Agent may be appointed. This may affect the achievement of the stated investment objective. The ACD is not required to take any such steps (which are not limited to the example set out above) but will have regard to the prevailing circumstances when considering the appropriate action (if any) to be taken.
Investment Policy:	To hold the Scheme Property principally on deposit in cash, near cash and/or collective investment schemes until the Derivative Date. Thereafter the Scheme Property will be invested principally in over the counter derivatives or exchange traded derivatives (as the ACD may in its discretion choose) designed to provide the Capital Protected Price and the Index Return. During the Redemption Period, the Scheme Property will be held principally on deposit in cash or near cash and/or 1 or more collective investment schemes (as the ACD shall at its discretion determine).

Note to the Investment Objective and policy:	Shareholders should also refer to the specific risk factors for the **Protected Funds** and the examples below.
Index Return	The Index Return will be a percentage participation (the "Participation Rate") of the Increase (if any) in the Index that arises during the Growth Potential Period. The Increase (as defined below) (if any) in the Index that arises during the Growth Potential Period is subject to the Upper Limit (as defined below). The relevant Participation Rate, the methods used to determine any Increase and the length of the relevant Growth Potential Period will be communicated to investors prior to the launch of the Fund.
Termination Event:	On the End Date, the ACD will automatically redeem all the Shares then in issue, after which the Fund will terminate.

Further information in relation to Capital Protected Fund 20	
Cash Investment Period	Wednesday 24 August 2011 to Friday 27 January 2012
Derivative Date	Friday 10 February 2012
Protection Date	Monday 29 January 2018
Redemption Period	29 January 2018 – 23 March 2018
End Date	26 March 2018
Participation Rate	100 %
Upper Limit	52% (this is a cap on the Increase such that if the Increase is greater than 52% Shareholders will only get an increase of 52%) (i.e. the Participation Rate x 52% = 52%)
Issue Limit	£68,600,000
Index	FTSE 100 (or such other leading global large cap index or indices as the ACD shall in its discretion determine)
ACD's policy on Averaging in accordance with the derivative structure of the Fund	The average of the closing levels of the Index on UK stockmarket trading days over the last 12 months of the Growth Potential Period.
ISA:	It is intended that the Fund will be managed so as to ensure that shares in the Fund constitute qualifying investments for the purposes of the ISA Regulations.

Share Class:	Class M net accumulation shares (see Section 4)	
Minimum Initial Investment:	Class M share class:	£1,000 in Stocks and Shares ISA £3,000 in non-ISA
Minimum Subsequent Investment:	Class M share class:	£250
Minimum Holding:	Class M share class:	£500
Preliminary Charge:	Class M share class:	The rate is 7.81%
Annual Management Charge:	Class M share class:	The rate is 0.00%.
Switching Charge:	Not applicable	
Redemption Charge	Class M share class:	The rate is 0.00%.
Interim Accounting Period(s):	Wednesday 24 August 2011 to Friday 10 February 2012	
Income Allocation Date(s):	31 October (Annual) Derivative Date (interim)	
Additional power re government & public securities:	Not applicable	
Historic performance:	The Fund launched on 24 August 2011. Details of historic performance, when available, are set out in Appendix H.	
Additional Information:	This Fund may invest principally in deposits in cash, near cash and/or collective investment schemes until the Derivative Date. This Fund will invest principally in derivatives during the Growth Potential Period. This Fund may invest principally in deposits, cash and near cash and/or 1 or more collective investment schemes during the Redemption Period. The ACD intends to use the closing level of the Index on the Derivative Date as the starting point for determining the Increase (if any) for this Fund.	
Status of Fund for UK tax purposes:	The Fund is not a Bond fund for UK tax purposes and therefore any income allocations will constitute a dividend distribution. However, corporate Shareholders should note that an investment in this Fund may be treated by HMRC as a loan relationship during certain accounting periods (see Section 9 of this Prospectus for further details).	
Profile of typical investor:	The Fund is marketable towards retail investors who should have regard to both the Investment Objective and Policy of the Fund and the Risk Factors detailed in section 12 of this Prospectus. Investors are advised to consult with their professional advisers in respect of any investment decision.	

Expected % of NAV to be used for stocklending purposes:	0%

Additional Definitions in respect of Capital Protected Fund 20

"Averaging"	A technique to determine whether there has been any rise in the Index, or any part of it, over the Growth Potential Period by taking an average of that Index on specific dates (the extent to which averaging will be used by the ACD will be disclosed prior to the launch of the Fund);
"Increase"	means the amount (if any) (expressed as a percentage and subject to the Upper Limit) by which the Index has grown over the Growth Potential Period and subject to any Averaging;

<u>Examples</u>

The examples set out below show how this Capital Protected Fund is intended to work.

They are for illustrative purposes only and the actual value of a Shareholder's investment is likely to be different to those shown.

There is no guarantee that there will be any percentage rise in the Index: there may be a percentage fall or only a small percentage rise. The ACD does not represent that any particular percentage rise in the Index will occur.

<u>Minimum value on Protection Date</u>

Shareholder sends a cheque for (the initial Investment)	£10,000.00
Preliminary Charge	7.81%
Amount used to buy Shares i.e. after deduction of Preliminary Charge	£9,219.00
Price of Shares when purchased	100.00p
Number of Shares purchased i.e. £9,219 ÷ 100.00p	9,219.00
Effect of interest increases Share price on Derivative Date to	101.00p
Value of Shares on Derivative Date i.e. 9,219.00 x 101.00p	9,311.19
Capital Protected Price of a Share i.e. 101.00p ÷ (1 - 0.0781) with answer rounded up to nearest 1/100th of a penny *	109.56p
Minimum value on the Protection Date and assuming no Shares are sold i.e. 9,219.00 x 109.56p	£10,100.34
Minimum value on the Protection Date assuming 50% of shares are sold i.e. 4,609.50 x 109.56p	£5,050.17

* The effect of this calculation is to create a Capital Protected Price which when multiplied by the number of shares owned (see next line) determines the minimum value that the fund aims to achieve on the Protection Date. This minimum value includes the amount invested in the fund, the Preliminary Charge and interest between the date the investment is made and the Derivative Date. The effect of dividing the share price by (1- 0.0781) is to add back the Preliminary Charge of 7.81% that was deducted from the Initial Investment.

Example showing the effect of a fall in the Index

Value of Index on the Derivative Date	6,000
Participation Rate	100%
Value of Index on Protection Date	5,100
Percentage fall in the Index i.e.{ (5100 ÷ 6000) -1 } x 100	-15%
Value of investment on the Protection Date assuming no Shares are sold is based on Capital Protected Price i.e.9,219.00 x 109.56p	£10,100.34
Value of investment on the Protection Date assuming 50% of shares are sold i.e. 4,609.50 x 109.56p	£5,050.17

Example showing the effect of a rise in the Index, with the Upper Limit

Value of Index on the Derivative Date	6,000
Participation Rate	100%
Upper Limit	52%
Value of Index on Protection Date	9,300
Percentage rise in the Index i.e.{ (9300 ÷ 6000) -1 } x 100	55%
Is the percentage rise greater than the Upper Limit?	Yes
Participation Rate x Upper Limit on percentage rise in the Index (i.e. 100% x 52%)	52%
Share price of fund on Protection Date (Capital Protected Price of 109.56p x (1+0.52))	166.53p
Value of investment on the Protection Date assuming no shares are sold i.e. 9,219.00 x 166.53p	£15,352.40
Value of investment on the Protection Date assuming 50% of shares are sold i.e. 4,609.50 x 166.53p	£7,676.20

What a Shareholder in the Fund should get back on the Protection Date is as follows:

- on the Derivative Date the ACD will determine the Capital Protected Price a Shareholder should get on the Protection Date (if Shares are held continuously until this date). This is the total of the Shareholder's payment and any interest.
- on the Protection Date the ACD will work out the Increase (if any) during the Growth Potential Period. In determining any percentage rise, the ACD will use "Averaging". This is a method commonly used to protect investors from volatility in capital markets and the method helps to even out rises and falls. The effect of Averaging could be to reduce the investment potential of the Fund.
- if there is a percentage rise, Shareholders should get back the Capital Protected Price increased by a specified percentage of that rise.
- if there is a percentage fall or no change, Shareholders should get back the Capital Protected Price.

Averaging is intended to provide shareholders with extra protection from sudden changes in the level of the Index, or any part of it, but it could also have the effect of reducing growth**.** If, there is considerable market disruption, the ACD may, in its use of Averaging, discount any Business Day when the value of the chosen Index, or any part of it, is not published.

Name:	**Capital Protected Fund 21** **[Not currently available for new investments.]**
FCA Product Reference ("PRN"):	646163
Investment Objective:	The Fund aims to provide investors with a Capital Protected Price on the Protection Date which, when multiplied by the number of Shares held will be at least equal to the value of those Shares on the Derivative Date (plus the Preliminary Charge that is applied to amounts invested during the Cash Investment Period). In addition, on the Protection Date the Fund aims to provide a return (the "Index Return") based on the performance of the Index during the Growth Potential Period. Details of how the Index Return is calculated are noted below.
Note to the Investment Objective:	Where the Index, or any part of it, ceases to be calculated or published, is modified, disrupted or cancelled or is otherwise unable to be used for the purpose of the stated investment objective of the Fund, the ACD may, in accordance with the FCA Rules, substitute any other index or indices or take any steps which it considers necessary to achieve (insofar as possible to do so in the circumstances) the investment objective of the Fund. For example if no value for the Index, or any part of it, is published on the relevant Derivative Date, the ACD may use such published value as it determines. If no such value is published within a timeframe to be agreed by the ACD and the relevant counterparty, an independent Calculation Agent may be appointed. This may affect the achievement of the stated investment objective. The ACD is not required to take any such steps (which are not limited to the example set out above) but will have regard to the prevailing circumstances when considering the appropriate action (if any) to be taken.
Investment Policy:	To hold the Scheme Property principally on deposit in cash, near cash and/or collective investment schemes until the Derivative Date. Thereafter the Scheme Property will be invested principally in over the counter derivatives or exchange traded derivatives (as the ACD may in its discretion choose) designed to provide the Capital Protected Price and the Index Return. During the Redemption Period, the Scheme Property will be held principally on deposit in cash or near cash and/or 1 or more collective investment schemes (as the ACD shall at its discretion determine).
Note to the Investment Objective and policy:	Shareholders should also refer to the specific risk factors for the **Protected Funds** and the examples below.

Index Return	The Index Return will be a percentage participation (the "Participation Rate") of the Increase (if any) in the Index that arises during the Growth Potential Period. The Increase (as defined below) (if any) in the Index that arises during the Growth Potential Period is subject to the Upper Limit (as defined below). The relevant Participation Rate, the methods used to determine any Increase and the length of the relevant Growth Potential Period will be communicated to investors prior to the launch of the Fund.
Termination Event:	On the End Date, the ACD will automatically redeem all the Shares then in issue, after which the Fund will terminate.

Further information in relation to Capital Protected Fund 21

Cash Investment Period	Thursday 26 January 2012 to Thursday 24 May 2012
Derivative Date	Tuesday 12 June 2012
Protection Date	Friday 25 May 2018
Redemption Period	25 May 2018 – 19 July 2018
End Date	20 July 2018
Participation Rate	100%
Upper Limit	47% (this is a cap on the Increase such that if the Increase is greater than 47% Shareholders will only get an increase of 47%) (i.e. the Participation Rate x 47 = 47%)
Issue Limit	£75,500,000
Index	FTSE 100 (or such other leading global large cap index or indices as the ACD shall in its discretion determine)
ACD's policy on Averaging in accordance with the derivative structure of the Fund	The average of the closing levels of the Index on UK stockmarket trading days over the last 12 months of the Growth Potential Period.
ISA:	It is intended that the Fund will be managed so as to ensure that shares in the Fund constitute qualifying investments for the purposes of the ISA Regulations.
Share Class:	Class M net accumulation shares (see Section 4)
Minimum Initial Investment:	Class M share class: £1,000 in Stocks and Shares ISA £3,000 in non-ISA
Minimum Subsequent Investment:	Class M share class: £250

Minimum Holding:	Class M share class:	£500
Preliminary Charge:	Class M share class:	The rate is 7.85%
Annual Management Charge:	Class M share class:	The rate is 0.00%.
Switching Charge:	Not applicable	
Interim Accounting Period(s):	Thursday 26 January 2012 to Tuesday 12 June 2012	
Income Allocation Date(s):	31 October (Annual) Derivative Date (interim)	
Additional power re government & public securities:	Not applicable	
Historic performance:	The Fund launched on 26 January 2012. Details of historic performance, when available, are set out in Appendix H.	
Additional Information:	This Fund may invest principally in deposits in cash, near cash and/or collective investment schemes until the Derivative Date. This Fund will invest principally in derivatives during the Growth Potential Period. This Fund may invest principally in deposits, cash and near cash and/or 1 or more collective investment schemes during the Redemption Period. The ACD intends to use the closing level of the Index on the Derivative Date as the starting point for determining the Increase (if any) for this Fund.	
Status of Fund for UK tax purposes:	The Fund is not a Bond fund for UK tax purposes and therefore any income allocations will constitute a dividend distribution. However, corporate Shareholders should note that an investment in this Fund may be treated by HMRC as a loan relationship during certain accounting periods (see Section 9 of this Prospectus for further details).	
Profile of typical investor:	The Fund is marketable towards retail investors who should have regard to both the Investment Objective and Policy of the Fund and the Risk Factors detailed in section 12 of this Prospectus. Investors are advised to consult with their professional advisers in respect of any investment decision.	
Expected % of NAV to be used for stocklending purposes:	0%	

Additional Definitions in respect of Capital Protected Fund 21

"Averaging"	A technique to determine whether there has been any rise in the Index, or any part of it, over the Growth Potential Period by taking an average of that Index on specific dates (the extent to which averaging will be used by the ACD will be disclosed prior to the launch of the Fund);
"Increase"	means the amount (if any) (expressed as a percentage and subject to the Upper Limit) by which the Index has grown over the Growth Potential Period and subject to any Averaging;

Examples

The examples set out below show how this Capital Protected Fund is intended to work.

They are for illustrative purposes only and the actual value of a Shareholder's investment is likely to be different to those shown.

There is no guarantee that there will be any percentage rise in the Index: there may be a percentage fall or only a small percentage rise. The ACD does not represent that any particular percentage rise in the Index will occur.

Minimum value on Protection Date	
Shareholder sends a cheque for (the initial Investment)	£10,000.00
Preliminary Charge	7.85%
Amount used to buy Shares i.e. after deduction of Preliminary Charge	£9,215.00
Price of Shares when purchased	100.00p
Number of Shares purchased i.e. £9,215 ÷ 100.00p	9,215.00
Effect of interest increases Share price on Derivative Date to	101.00p
Value of Shares on Derivative Date i.e. 9,215.00 x 101.00p	9,307.15
Capital Protected Price of a Share i.e. 101.00p ÷ (1 - 0.0785) with answer rounded up to nearest 1/100th of a penny *	109.61p
Minimum value on the Protection Date and assuming no Shares are sold i.e. 9,215.00 x 109.61p	£10,100.56
Minimum value on the Protection Date assuming 50% of shares are sold i.e. 4,607.50 x 109.61p	£5,050.28

* The effect of this calculation is to create a Capital Protected Price which when multiplied by the number of shares owned (see next line) determines the minimum value that the fund aims to achieve on the Protection Date. This minimum value includes the amount invested in the fund, the Preliminary Charge and interest between the date the investment is made and the Derivative Date. The effect of dividing the share price by (1- 0.0785) is to add back the Preliminary Charge of 7.85% that was deducted from the Initial Investment.

Example showing the effect of a fall in the Index

Value of Index on the Derivative Date	5,500
Participation Rate	100%
Value of Index on Protection Date	4,675
Percentage fall in the Index i.e.{ (4675 ÷ 5500) -1 } x 100	-15%
Value of investment on the Protection Date assuming no Shares are sold is based on Capital Protected Price i.e.9,215.00 x 109.61p	£10,100.56
Value of investment on the Protection Date assuming 50% of shares are sold i.e. 4,607.50 x 109.61p	£5,050.28

Example showing the effect of a rise in the Index, with the Upper Limit

Value of Index on the Derivative Date	5,500
Participation Rate	100%
Upper Limit	47%
Value of Index on Protection Date	8,500
Percentage rise in the Index i.e.{ (8500 ÷ 5500) -1 } x 100	55%
Is the percentage rise greater than the Upper Limit?	Yes
Participation Rate x Upper Limit on percentage rise in the Index (i.e. 100% x 47%)	47%
Share price of fund on Protection Date (Capital Protected Price of 109.61p x (1+0.47))	161.13p
Value of investment on the Protection Date assuming no shares are sold i.e. 9,215.00 x 161.13p	£14,848.13
Value of investment on the Protection Date assuming 50% of shares are sold i.e. 4,607.50 x 161.13p	£7,424.06

What a Shareholder in the Fund should get back on the Protection Date is as follows:

- on the Derivative Date the ACD will determine the Capital Protected Price a Shareholder should get on the Protection Date (if Shares are held continuously until this date). This is the total of the Shareholder's payment and any interest.
- on the Protection Date the ACD will work out the Increase (if any) during the Growth Potential Period (or such other period specified by the ACD). In determining any percentage rise, the ACD will use "Averaging". This is a method commonly used to protect investors from volatility in capital markets and the method helps to even out rises and falls. The effect of Averaging could be to reduce the investment potential of the Fund.
- if there is a percentage rise, Shareholders should get back the Capital Protected Price increased by a specified percentage of that rise.
- if there is a percentage fall or no change, Shareholders should get back the Capital Protected Price.

Averaging is intended to provide shareholders with extra protection from sudden changes in the level of the Index, or any part of it, but it could also have the effect of reducing growth**.** If, there is considerable market disruption, the ACD may, in its use of Averaging, discount any Business Day when the value of the chosen Index, or any part of it, is not published.

Appendix E

Other Regulated Collective Investment Schemes

The ACD also acts as the authorised corporate director (but not, for the avoidance of doubt, as the AIFM) 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
Multi-Manager ICVC

and also acts as the authorised corporate director and the AIFM of the following authorised investment companies with variable capital:-

Scottish Widows Managed Investment Funds ICVC
Scottish Widows Investment Solutions Funds ICVC
Investment Portfolio ICVC

Appendix F

Dilution Adjustment Estimates

Fund	**Estimate of dilution adjustment applicable to sales (%)**	**Estimate of dilution adjustment applicable to redemption's (%)**
Progressive Growth	0.00	0.00
Balanced Growth	0.00	0.00
Cautious Growth	0.00	0.00
Adventurous Growth	0.00	0.00
Capital Protected Fund 19*	0.32	-0.39
Capital Protected Fund 20*	0.48	-0.48
Capital Protected Fund 21	0.48	-0.48
Global Tactical Asset Allocation 1 Fund	0.01	0.00
Corporate Bond 1 Fund	0.28	0.37
Corporate Bond Tracker Fund	0.49	0.41
Corporate Bond PPF Fund	0.67	0.75
UK Index Linked Gilt Fund	0.15	0.22

Rates correct as at 31 July 2017

*This Fund is in the process of being terminated.

Appendix G

Directors of Scottish Widows Unit Trust Managers Limited and Significant Activities of the Directors not connected with the Business of the ICVC

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

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 International Holdings BV
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

Appendix H[1]
Historical Past Performance

	% Growth	% Growth	% Growth	% Growth	% Growth	% Growth
	31/08/2016	31/08/2015	31/08/2014	31/08/2013	31/08/2012	31/08/2011
	To	To	To	To	To	To
	31/08/2017	31/08/2016	31/08/2015	31/08/2014	31/08/2013	31/08/2012
Fund Name						
Cautious Growth Fund D Acc	3.97	7.77	0.8	7.94	3.57	7.8
Balanced Growth Fund D Acc	8.76	9.27	0.38	9.26	9.03	6.98
Progressive Growth Fund D Acc	12.91	12.55	-1.23	9.73	12.46	7.35
Adventurous Growth Fund D Acc	15.09	15.77	-2.7	8.15	17.99	9.25
	N/A					
Capital Protected Fund 19[2]	8.63	12.52	-4.4	5.59	6.21	9.39
Capital Protected Fund 20[3]	10.92	10.51	-3.27	4.92	6	1.7
Capital Protected Fund 21[4]	12.71	14.77	-2.68	7.07	4.08	N/A
Global Tactical Asset Allocation 1 Fund[5]	3.35	-5.72	4.62	N/A	N/A	N/A
Corporate Bond 1 Fund The Fund was launched on 09/05/11.[6]	2.47	7.91	N/A	N/A	N/A	N/A
Corporate Bond Tracker Fund[7]	-0.4	16.01	4.32	N/A	N/A	N/A
Corporate Bond PPF Fund The Fund was launched on 09/05/11.[8]	-3.57	30.29	2.38	N/A	N/A	N/A

[1] DN: SW to update
[2] The Fund was launched on 09/05/11. This Fund is in the process of being terminated.
[3] The Fund was launched on 24/08/11. This Fund is in the process of being terminated.
[4] The Fund was launched on 26/01/12.
[5] The Fund was launched on 26/06/14.
[6] The Fund was launched on 25/09/14.
[7] The Fund was launched on 13/06/14.
[8] The Fund was launched on 09/04/14.

UK Index Linked Gilt Fund[1]	-0.41	25.32	10.24	N/A	N/A	N/A

Source: Financial Express, on a single pricing basis, income reinvested where available, net of annual fees, in Sterling quoted Net of UK Income tax. The funds marked with a [B] are quoted Gross of UK Income Tax.

'D Acc' represents D class net accumulation shares.

Investors should note that the figures refer to the past and past performance is not a reliable indicator of future results. If you wish to obtain current information regarding fund performance on any of our share classes, please contact 0845 300 2244, or write to the ACD at 15 Dalkeith Road, Edinburgh, EH16 5WL.

[1] The Fund was launched on 19/03/14.

SCOTTISH WIDOWS INCOME AND GROWTH FUNDS ICVC

Prospectus 26 March 2018