

Prospectus of **SCOTTISH WIDOWS MANAGED INVESTMENT FUNDS ICVC**

(an investment company with variable capital incorporated with limited liability and registered by the Financial Conduct Authority under registered number IC000171), FCA Product Reference ("PRN"): 407760

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 Managed Investment 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 Simplified Prospectus 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 18 May 2017. This Prospectus may at any time be replaced by a new Prospectus or extended by a supplement issued by the Company; investors should, therefore, check with the ACD that this is the most recently published Prospectus and that they have all (if any) supplements to it issued by the Company.

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Directory

The Company and Head Office	Scottish Widows Managed Investment 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 ¹ Bow Bells House 1 Bread Street London EC4M 9HH
Depository	State Street Trustees Limited Correspondence Address: 525 Ferry Road Edinburgh EH5 2AW
Registrar	Scottish Widows Unit Trust Managers Limited Registered Office: Charlton Place Andover Hampshire SP10 1RE 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

¹ The Investment Adviser was previously known as Scottish Widows Investment Partnership Limited.

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 the 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 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 Conversion"	a conversion between Class U Shares and Class V Shares of the same Fund made by the ACD in order to comply with the regulations on fund charges as more particularly set out in the Stakeholder Regulations. Such conversion will take place on a date at the discretion of the ACD within 10 years of the date of first registration of the Class U Shares in the Shareholder's (or their nominee's) name, or in the case of regular savings or top ups within 10 years of the date of the first contribution;
"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 Managed Investment Funds ICVC;
"Conversion"	the exchange of Shares in one Class in a Fund to Shares of another Class in the same Fund and "Convert" shall be construed accordingly;
"Dealing Day"	Monday to Friday (except for a bank holiday in England and Wales and other days at the ACD's discretion) being a day on which the London Stock Exchange is open for trading and other days at the ACD's discretion;
"Depositary"	the depositary of the Company, being State Street Trustees Limited;

"EEA State"	a State which is a contracting party to the agreement on the European Economic Area signed at Oporto on 2 May 1992, as it has effect for the time being;
"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;
"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;
"Investment Adviser"	Aberdeen Asset Investments Limited, the investment adviser appointed by the ACD;
"Instrument of Incorporation"	the Instrument of Incorporation of the Company;
"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);
"OEIC Regulations"	the Open-Ended Investment Companies Regulations 2001 as amended or replaced from time to time;
"Prospectus"	a prospectus of the Company prepared pursuant to the requirements of the FCA Rules, including a prospectus consisting of an existing version of a prospectus as extended by a supplement issued by the Company;

"Register"	the register of Shareholders kept on behalf of the Company;
"Registrar"	the registrar of the Company, being Scottish Widows Unit Trust Managers Limited;
"Scheme Property"	the property of the Company subject to the collective investment scheme constituted by the Company or (as the context may require) the part of that property attributable to a particular Fund;
"SDRT"	stamp duty reserve tax;
"Share"	a share in the Company (including both a larger and a smaller denomination share);
"Shareholder"	the holder of a Share (whether in registered or bearer form);
"Stakeholder Regulations"	the Financial Services and Markets Act 2000 (Stakeholder Products) Regulations 2004 and any subsequent amendments, variations or replacement enactments thereof that may be in force from time to time;
"subsidiary"	has the meaning ascribed thereto in the Companies Act 2006;
"Switch"	the exchange of Shares of one Fund for Shares of 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: <ul style="list-style-type: none"> (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.

In this Prospectus the terms 'FTSE'® and 'Footsie'® are used. These are joint trademarks of the London Stock Exchange Limited, and are used by the FTSE International Limited, under licence. The FTSE® 100 Index is calculated by FTSE International Limited in conjunction with the Institute of Actuaries and the Faculty of Actuaries. FTSE International Limited does not sponsor, endorse or promote this product. All copyright in index value constituent list vests in FTSE International Limited.

1. The Company and its Structure

Scottish Widows Managed Investment Funds ICVC is an investment company with variable capital incorporated in Great Britain, and having its head office in Scotland, under registered number IC000171 and authorised by the Financial Services Authority (which has since been succeeded by the Financial Conduct Authority) with effect from 19 April 2002.

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 and 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 only Funds which have been established are:-

Balanced Growth Portfolio	Opportunities Portfolio Fund
Balanced Portfolio Fund	Progressive Portfolio Fund
Cash Fund	Stockmarket Growth Portfolio
Cautious Portfolio Fund	Strategic Growth Portfolio
Dynamic Income Portfolio	
International Equity Tracker Fund	
Managed Income Portfolio	
Momentum Income Portfolio	

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.

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 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 525 Ferry Road, Edinburgh EH5 2AW. 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.

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.² 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 24 May 2002. 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 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.

² Important Note: The Investment Adviser changed 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, the Investment Adviser was in the same group of companies as the ACD.

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.

The Investment Adviser has appointed Russell Investments Limited of Rex House, 10 Regent Street, London SW1Y 4PE ("Russell"), to provide expert advice and assistance in respect of the asset allocation of the Cautious Portfolio Fund, the Balanced Portfolio Fund, the Progressive Portfolio Fund and the Opportunities Portfolio Fund in accordance with each such fund's investment objectives and policy. Russell is regulated and authorised by the FCA. A Services Agreement between Russell and the Investment Adviser dated 14 October 2004 set out the relationship between Russell and the Investment Adviser. The Services Agreement may be terminated by either the Investment Adviser or Russell by giving at least 6 months' notice to the other and with immediate effect on the event of certain prescribed circumstances set out in the Services Agreement.

Russell is not authorised to enter into soft commission arrangements with third parties.

The Investment Adviser remains ultimately responsible to the ACD for the management of the Cautious Portfolio Fund, the Balanced Portfolio Fund, the Progressive Portfolio Fund and the Opportunities Portfolio Fund.

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.

Administration

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

Auditors

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

Custodian

The Depository has delegated the custody of the assets of the Balanced Growth Portfolio, Balanced Portfolio Fund, Cash Fund, Cautious Portfolio Fund, Dynamic Income Portfolio, International Equity Tracker Fund, Managed Income Portfolio, Momentum Income Portfolio, Opportunities Portfolio Fund, Progressive Portfolio Fund, Stockmarket Growth Portfolio and Strategic Growth Portfolio to SSBTC.

These arrangements prohibit either 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 Depository.

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, 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 dealing 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 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 Cash Fund, 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 (excluding the Cash Fund) in the short term where it considers that market conditions so require.

The Cash Fund is a short term money market fund and the fund's investment objectives and policies will meet the conditions required of a short term money market fund.

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:-

Balanced Growth Portfolio, Balanced Portfolio Fund, Cash Fund Cautious Portfolio Fund, Dynamic Income Portfolio, International Equity Tracker Fund, Managed Income Portfolio, Momentum Income Portfolio, Opportunities Portfolio Fund, Progressive Portfolio Fund, Stockmarket Growth Portfolio and Strategic Growth Portfolio

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

All Class A Share Classes share the following feature:-

- designated in Sterling.

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

All Class B Share Classes share the following features:-

- designated in Sterling; and
- not available to any person other than:-
 - (a) a person who acquires Shares of this Class pursuant to the terms of any scheme of conversion, amalgamation or reconstruction of a unit trust but only to the extent that that person acquires such Shares pursuant to the terms of any such scheme; or
 - (b) a person, not being a person of the type referred to in the preceding paragraph (a), to whom the ACD at its entire discretion has decided that such Shares may be made available.

Class G net accumulation shares
 Class G net income shares
 (together "Class G shares Classes")

All Class G Share Classes share the following features:-

- designated in Sterling.

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

All Class I Share Classes share the following feature:-

- designated in Sterling.

Class X net accumulation shares
 Class X net income shares
 Class X gross accumulation shares
 Class X gross income shares
 (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 of companies consisting of the ultimate holding company of the ACD and each of the subsidiaries of that holding company; or
 - (b) a person, not being a company of the type referred to in the preceding paragraph (a), to whom the ACD at its entire discretion has determined that such Shares may be made available.

Class T net accumulation shares

("Class T Share Class")

The Class T Share Class has the following features:-

- designated in Sterling; and
- not available to any person other than:-
 - (a) a company providing Child Trust Fund accounts pursuant to The Child Trust Fund Regulations 2004 (SI 2004/1450); 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 U net accumulation shares

Class U gross accumulation shares

("Class U Share Class")

The Class U Share Class has the following features:-

- these are only available via stakeholder products launched pursuant to the Stakeholder Regulations;
- designated in Sterling; and
- will be automatically switched to Class V Share Class of the same sub-fund (or any successor thereof) on a date at the ACD's discretion within 10 years from the date of registration of the shareholder (or their nominee), or in the case of regular savings and top ups within ten years of the date of the first contribution.

Class V net accumulation shares

Class V gross accumulation shares

("Class V Share Class")

The Class V Share Class has the following features:-

- these are only available via stakeholder products launched pursuant to the Stakeholder Regulations;
- designated in Sterling; and
- not available to any person other than a holder of Class U Share Class shares in the same Fund who has converted those Shares pursuant to an Automatic Conversion or to such person as the ACD may at their entire discretion decide that such Shares may be made available.

Note: Following the Automatic Conversion into Class V Shares, all subsequent investments of the shareholder will be into Class V Shares and not Class U Shares notwithstanding it is less than ten years since the date of registration or the first contribution.

In addition, the ACD may also make available the following Classes of Share in respect of:-

Balanced Growth Portfolio, Balanced Portfolio Fund, Cautious Portfolio Fund, Dynamic Income Portfolio, Managed Income Portfolio, Momentum Income Portfolio, Opportunities Portfolio Fund, Progressive Portfolio Fund, Stockmarket Growth Portfolio and Strategic Growth Portfolio

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; and
 - not available to any person other than: -
- (a) a holder of: Class A Shares in the Balanced Growth Portfolio, Balanced Portfolio Fund, Cautious Portfolio Fund, Managed Income Portfolio, Momentum Income Portfolio, Opportunities Portfolio Fund, Progressive Portfolio Fund or Stockmarket Growth Portfolio; or Class A Shares or Class B Shares in Dynamic Income Portfolio or Strategic Growth Portfolio, who subscribes amounts to any such Fund 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; or
 - (b) a person who subscribes amounts to the Balanced Growth Portfolio, Balanced Portfolio Fund, Cautious Portfolio Fund, Dynamic Income Portfolio, Managed Income Portfolio, Momentum Income Portfolio, Opportunities Portfolio Fund, Progressive Portfolio Fund, Stockmarket Growth Portfolio or Strategic Growth Portfolio 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; and (b) regular savings arrangements which commence on or after 20 February 2017, including any subsequent increases made to them, 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; or
 - (c) a person, not being a person of the type referred to in the preceding paragraphs (a) and (b), to whom the ACD at its entire discretion has decided that such Shares may be made available.

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

The Instrument of Incorporation provides the power to issue bearer Shares. However, currently the Company does not issue bearer Shares. If these were to be issued, they would be issued subject to the discretion of the ACD 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 page 26).

The Net Asset Value of the Balanced Growth Portfolio, Balanced Portfolio Fund, Cash Fund, Cautious Portfolio Fund, Dynamic Income Portfolio, International Equity Tracker Fund, Managed Income Portfolio, Momentum Income Portfolio, Opportunities Portfolio Fund, Progressive Portfolio Fund, Stockmarket Growth Portfolio and Strategic Growth Portfolio Fund will be calculated as at the valuation point (being 8.00 am) on each Dealing Day in respect of that Fund, except that in the case of Balanced Portfolio Fund, Cautious Portfolio Fund, Opportunities Portfolio Fund and Progressive Portfolio Fund, the Net Asset Value will not be calculated, and there shall be no valuation point, on any Dealing Day which is an Irish bank holiday (being a day on which Irish banks are closed for business). 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. Where Shareholders Convert all or part of their Shares of one Class for Shares of another Class in respect of the same Fund, the price is calculated by reference to the last known price of each of the Share Classes.

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 price of each Class of the Class A, Class B, Class G, Class P, Class U and Class V Share Classes, when available, will be published daily on the Scottish Widows website at www.scottishwidows.co.uk and on such other media that the ACD shall in its discretion decide in accordance with the FCA Rules and the AIFMD. Prices of all Share Classes are also available daily by telephoning the ACD on 0846 845 0066. Further details of where the prices are published are available from the ACD. Shares are, however, issued on a forward pricing basis and not on the basis of the published prices.

6. Sale, Redemption, Conversion, 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 a.m. until 5 p.m. (UK time) on each Dealing Day in respect of a Fund to receive requests for the sale, redemption, Conversion and Switching of Shares in relation to that Fund. The ACD may, in accordance with the FCA Rules, identify a point in time in advance of a valuation point ("a cut-off point") after which it will not accept instructions to sell or redeem Shares at that valuation point.

For requests made by telephone, dealing on the last working day before Christmas Day and New Year's Day will cease at 12.00 noon.

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. Application forms may be obtained from the ACD. The ACD may in future introduce the facility to apply for Shares on-line.

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. Individual valuations 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 in the same Class of the same Fund are set out in Appendix D (in the sections "Minimum Initial Investment" and "Minimum Subsequent Investment" respectively) but the ACD may, at its absolute discretion, accept investments lower than the relevant minimum. 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 under COBS (Chapter 15), 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.

Investors opting to cancel may receive less than their original investment if the Share price had fallen subsequent to their initial purchase.

Regular Savings

Other than for Class U and Class V Share Classes where the minimum monthly contribution shall be £20, monthly contributions of £50 or more are payable under regular savings arrangements operated by the ACD in respect of certain Classes of Share within certain of the Funds (as specified below) by direct debit each month and, subject to the minimum monthly contribution of £50 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. 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 operates. 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 communication 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 communication referred to in the foregoing sentence), a tax certificate detailing allocations of income will be sent to all investors under such a regular savings arrangement.

In respect of each Fund (except International Equity Tracker Fund, Cash Fund, Cautious Portfolio Fund, Dynamic Income Portfolio, Managed Income Portfolio and Momentum Income Portfolio), Class A, Class P and Class T net accumulation Shares are available for regular savings arrangements. In respect of each of the Cash Fund, Cautious Portfolio Fund, Dynamic Income Portfolio, Managed Income Portfolio and Momentum Income Portfolio Class A gross accumulation shares are available for regular savings arrangements and in respect of, Cautious Portfolio Fund, Dynamic Income Portfolio, Managed Income Portfolio and Momentum Income Portfolio Class P gross accumulation shares are available for regular savings arrangements. In addition, Class U gross accumulation Shares are available for regular savings in Momentum Income Portfolio in accordance with the Stakeholder Regulations. The other Share Classes (if any) of each Fund will not normally be available for regular savings arrangements and Class V net accumulation Shares will only be available following an Automatic Conversion or such other form of switch or conversion permitted by this Prospectus or the Stakeholder Regulations.

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.

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 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 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 number and Class of the Shares to be redeemed and the Fund to which they relate. The ACD may in future introduce the facility to request the redemption of Shares on-line.

Where the Shareholder wishes to redeem some only 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 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 redemption request, within four business days of the telephone conversation and confirmation from 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 despatch 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.

Conversion and Switching

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

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

Conversions

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

The ACD will carry out instructions to Convert Shares as soon as possible but this may not be at the next valuation point and instructions may be held over and processed with Conversion instructions given by other Shareholders and in some cases may not be effected until the end of the relevant accounting period. Shareholders should contact the ACD for further information on when a Conversion may be effected. Subject to the Stakeholder Regulations, a holder of Class U Shares may not request a Conversion into Class V Shares of the same Fund (or a Switch into any other Fund) unless more than 10 years has passed since the Class U Shares were first registered in that Shareholder's (or his nominee's) name and there has not already been an Automatic Conversion in respect of the Class U Shares. Conversions into Class V Shares may, except where the Stakeholder Regulations state otherwise, only be made from Class U Shares of the same Fund.

The ACD may at its discretion charge a Conversion fee, which is described below under "Conversion and Switching Fee". There is currently no fee on a Conversion but the ACD reserves the right to introduce such a fee at its discretion and subject to compliance with the FCA Rules. For the avoidance of doubt, no Conversion fee will be charged on an Automatic Conversion or on any other Conversion between Class U Shares and Class V Shares of the same Fund if more than ten years has passed since those Shares were first registered in the Shareholder's name, or if regular saving or top ups, ten years from the date of the first contribution.

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

Converting may be effected either 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 in writing to the ACD at 15 Dalkeith Road, Edinburgh EH16 5WL and must specify (1) the name of the Fund, (2) the number and Class of Shares to be Converted and (3) the Class into which the Conversion is to be effected. The Shareholder may be required to complete a Conversion form (which, in the case of joint Shareholders must be signed by all the joint holders). Conversion forms may be obtained from the ACD. Receipt of a duly completed and signed Conversion form may be required by the ACD before the Conversion will be effected. The ACD may in future introduce the facility to request a Conversion on-line.

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 (i) Class A of the Balanced Growth Portfolio, Balanced Portfolio Fund, Cautious Portfolio Fund, Dynamic Income Portfolio, Managed Income Portfolio, Momentum Income Portfolio, Opportunities Portfolio Fund, Progressive Portfolio Fund, Stockmarket Growth Portfolio and Strategic Growth Portfolio to Shares in Class P of such Funds; and (ii) Class B of the Dynamic Income Portfolio and Strategic Growth Portfolio, to Shares in Class P 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.

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

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

Switches

Subject to the qualifications below, a Shareholder may at any time Switch all or some of their Shares in a Fund ("Original Shares") for Shares of another Fund ("New Shares"), provided they satisfy the relevant subscription and eligibility criteria. No Switch will be effected during any period when the right of Shareholders to require the redemption of their Shares is suspended.

Switching requests must be made to the ACD by telephone on 0845 845 0066 (in which case the identification procedures and controls required by the ACD from time to time must be satisfied) or in writing sent to the ACD at 15 Dalkeith Road, Edinburgh EH16 5WL and must specify (1) the number and Class of the Original Shares to be Switched, (2) the Fund to which the Original Shares relate and (3) the Class of the New Shares and the Fund to which they relate. Switching requests made by telephone must be confirmed in writing sent to the ACD at the address stated in this paragraph. Switching forms may be obtained from the ACD and the Shareholder may be required to complete a Switching form (which, in the case of joint Shareholders, must be signed by all the joint 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.

The ACD may at its discretion charge a Switching fee, which is described below under "Conversion and Switching Fee".

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.

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, the AIFMD 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 capital gains taxation. 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.

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 and the maximum level of the preliminary charge is calculated as a percentage of the single price. The current level and the maximum permitted level of the preliminary charge in respect of each Class of each Fund are 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. At present no redemption charge is levied in respect of the Balanced Growth Portfolio, Balanced Portfolio Fund, Cash Fund, Cautious Portfolio Fund, Dynamic Income Portfolio, International Equity Tracker Fund, Managed Income Portfolio, Momentum Income Portfolio, Opportunities Portfolio Fund, Progressive Portfolio Fund, Stockmarket Growth Portfolio and Strategic Growth Portfolio Fund.

The ACD may not introduce a redemption charge on the Shares or a change to the rate or method of calculation of a redemption charge once introduced which is adverse to shareholders unless the ACD has given notice in writing of that introduction (or change) in accordance with the FCA Rules and the AIFMD and of the date of its commencement to all persons who ought reasonably be known to it to have made an arrangement for the purchase of Shares at regular intervals and has made available a new Prospectus which reflects the introduction (or change) and the date of its commencement.

Any redemption charge introduced will apply only to Shares sold since its introduction.

Conversion and Switching Fee

On a Switch of Shares from one Fund 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 Conversion to another Class of Share in the same Fund but the ACD reserves the right to introduce such a fee, at its discretion subject to compliance with the FCA Rules and the AIFMD.

No fee will be charged by the ACD in respect of an Automatic Conversion or, where a holder of Class U Shares has requested a Conversion into Class V Shares of the same Fund and more than 10 years has passed since the Class U Shares were first registered in the Shareholder's (or his nominee's) name or in the case of regular savings and top ups 10 years has passed since the first contribution.

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 2015 to 31 July 2016, an adjustment would have been made overall on 2572 occasions.

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 a typical dilution adjustment to the Share price might range from 0.00% to 0.05% where the dilution relates to net inflows, and range from 0.00% to -0.05% where dilution relates to net outflows. This estimated range is based on future projections of movements within the Funds, and this can vary with underlying market conditions. Estimates of the amount of dilution adjustment based on securities held can be found in Appendix F.

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 Conversion or 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 Convert 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, Convert or 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 notice requesting the Switching or Conversion (as appropriate) 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 notice requesting Switching or

Conversion (as appropriate) of all such Shares owned by such Shareholder for Shares (which in the case of a Shareholder referred to in (a) above shall be net paying shares) of the Class or Classes which, in the opinion of the ACD, most nearly equates to the Class or Classes of Shares originally held by that Shareholder.

Issue of Shares in Exchange for In Specie Assets

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

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

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

In Specie Redemptions

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

Before the proceeds of the 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 redemption 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 (although Balanced Portfolio Fund, Class T Shares of the Balanced Growth Portfolio, Cautious Portfolio Fund, Opportunities Portfolio Fund, Progressive Portfolio Fund, Strategic Growth Portfolio and Classes U and V Shares of the Momentum Income Portfolio are all currently treated differently, in respect of which see below):-

- (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;

- (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; and
- (t) any other costs or expenses that may be taken out of the Company's property in accordance with the FCA Rules.

In the case of Class T Share Class shares of the Balanced Growth Portfolio, it is the current intention of the ACD that no expenses will be paid out of the property of the fund for the account of that Class of Shares with the exception of the annual management charge referred to below and such charges set out in (a) to (t) above which may be permitted by the Child Trust Fund Regulations 2004 (SI 2004/1450) (as the same may be amended from time to time) for collective investment schemes into which Child Trust Funds invest.

In the case of Class U and Class V Share Class shares of the Momentum Income Portfolio, it is the current intention of the ACD that no expenses will be paid out of the property of the fund for the account of those Classes of Shares with the exception of the annual management charge referred to below and such charges set out in (a) to (t) above which may be permitted by the Stakeholder Regulations for collective investment schemes into which Stakeholder Products invest.

In the case of Balanced Portfolio Fund, Cautious Portfolio Fund, Opportunities Portfolio Fund and Progressive Portfolio Fund, the expenses referred to in points (a), (b), (d) - (i), (m) - (q), (s) and (t) above are not currently paid out of the property of that Fund, with the exception of the annual management charge referred to below which is paid out of the property of that Fund.

In the case of Strategic Growth Portfolio, the following charges are not currently passed to the Fund: -

Depository's fees;
Safe custody fees;
Transaction charges; and
Bank charges.

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

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

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 and the maximum rate of annual management charge permitted in respect of each Class of Share in relation to each Fund are set out in Appendix D. Any value added tax on the annual management charge will be added to that charge.

In respect of Balanced Portfolio Fund, Cautious Portfolio Fund, Dynamic Income Portfolio, Opportunities Portfolio Fund, Progressive Portfolio Fund, Stockmarket Growth Portfolio and Strategic Growth Portfolio the current rate of annual management charge stated in Appendix D shall be inclusive 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 relation 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.

Depository's Fee

The Depository 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 (although Balanced Portfolio Fund, Cautious Portfolio Fund, Opportunities Portfolio Fund, Progressive Portfolio Fund, Strategic Growth Portfolio and the Class U and Class V Share Class shares of the Momentum Income Portfolio are currently treated differently, in respect of which see below).

The rate or rates of the Depository's periodic charge in respect of each Fund shall be agreed between the ACD and Depository from time to time in accordance with the FCA Rules. 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 Depository Agreement between the Company and the Depository provides that in addition to a periodic charge the Depository 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 Depository in accordance with the FCA Rules. At present the Depository does not itself act as Custodian.

In the case of Balanced Portfolio Fund, Cautious Portfolio Fund, Opportunities Portfolio Fund, Progressive Portfolio Fund and Strategic Growth Portfolio, the Depository's periodic charge is not currently paid out of the property of that Fund but is borne by the ACD.

In respect of the Class U and Class V Share Class shares of Momentum Income Portfolio that proportion of the Depository's periodic charge which is payable in respect of those Shares shall, unless otherwise permitted under the Stakeholder Regulations, be borne by the ACD.

In addition to the remuneration referred to above, the Depository is, save in respect of the Class U and Class V Share Class shares of the Momentum Income Portfolio (to which see further below), 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 Depository has delegated the function of custody of the scheme property relating to certain Funds, such charges being the subject of agreement between the Depository, 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 Depository and the Custodian may from time to time agree which will not in respect of each Fund exceed 2% per annum based on the market value of the stock involved plus VAT (if any). In addition the custodian makes a transaction charge determined by the territory, or country in which the transaction is effected which will not in respect of each Fund exceed £400 per transaction plus VAT (if any).

The cost of custody generally depends upon the market value of the stock involved. As from 1 November 2011 the range of custody charges applicable to each Fund will range from 0.002% to 0.5% per annum plus VAT (if any) and the range of transaction charges applicable to each Fund will range from between £2 and £120 plus VAT (if any).

- (ii) all charges imposed by, and any expenses payable to, any agents appointed by the Depositary to assist in the discharge of its duties.
- (iii) all charges and expenses incurred in connection with the collection and distribution of income.
- (iv) all charges and expenses incurred in relation to the preparation of the Depositary's annual report to Shareholders.
- (v) all charges and expenses incurred in relation to stocklending 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 respect of the Class U and Class V Share Classes of the Momentum Income Portfolio, those proportions of expenses properly incurred by the Depositary shall unless otherwise permitted under the Stakeholder Regulations 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

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

Registrar's Fee

In addition to its annual management charge, the ACD is entitled to a fee out of the Scheme Property of the Funds for acting as Registrar which will accrue daily and will be paid monthly.

The amount of the said fee in respect of each Fund shall be 0.1% per annum of the Net Asset Value plus VAT (if any).

In relation to Balanced Growth Portfolio, Balanced Portfolio Fund, Cautious Portfolio Fund, Dynamic Income Portfolio, Managed Income Portfolio, Momentum Income Portfolio, Opportunities Portfolio Fund, Progressive Portfolio Fund, Stockmarket Growth Portfolio and Strategic Growth Portfolio there will be no fee paid out of the Scheme Property.

In respect of the Class U and Class V Share Classes of the Momentum Income Portfolio no Registrar's fee is currently deducted but is borne by the ACD.

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 which is carried out in November each year. For the accounting year 1 May 2015 - 30 April 2016 the fee for the Cash Fund is £6,900, plus VAT (if any); the fee for each of the International Equity Tracker, Strategic Growth Portfolio, Dynamic Income Portfolio, Stockmarket Growth Portfolio, Managed Income Portfolio, Momentum Income Portfolio and Balanced Growth Portfolio Funds is £7,900 plus VAT (if any). These fees are (unless otherwise stated) payable per Fund out of the Scheme Property. The ACD will bear the Auditors' fees in relation to Balanced Portfolio, Cautious Portfolio, Opportunities Portfolio and Progressive Portfolio. The ACD will also bear the Auditor's fees in relation to the Class U and Class V Share Classes of the Momentum Income Portfolio unless otherwise permitted under the Stakeholder Regulations. 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 30 April ("the accounting reference date") in each year. The half-yearly accounting period will end on 31 October 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 will normally be made by bank transfer (BACS) but may be made by cheque.

The amount available for allocation in respect of any Fund in any accounting period will be calculated in accordance with the FCA Rules 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 distributed in relation to each Fund.

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

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

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

The ACD may, subject to compliance with the FCA Rules, 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 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

* 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-rated.

income for corporation tax purposes. The type of distribution currently paid by each Fund is detailed below and details of whether a particular Fund is currently a Bond fund for UK tax purposes are set out in Appendix D.

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

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

The UK Government has also announced its intention to legislate such that, on and from 6 April 2017, bond funds will no longer be required to withhold basic rate tax on interest distributions (which, prior to that date, would be withheld at a rate of 20%).

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

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

These changes apply to both income and accumulation share classes.

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

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

Fund Name	Interest/Dividend Distribution
Balanced Growth Portfolio	Dividend
Balanced Portfolio Fund	Dividend
Cash Fund	Interest
Cautious Portfolio Fund	Interest
Dynamic Income Portfolio	Interest
International Equity Tracker Fund	Interest
Managed Income Portfolio	Interest
Momentum Income Portfolio	Interest
Opportunities Portfolio Fund	Dividend
Progressive Portfolio Fund	Dividend
Stockmarket Growth Portfolio	Dividend
Strategic Growth Portfolio	Dividend

Capital Gains

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

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

on the disposal of Shares in their taxable profits. The amount chargeable will be reduced by indexation allowance.

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

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

Investor Reporting

US Foreign Account Tax Compliance Act (“FATCA”)

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

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

UK International Tax Compliance Agreements (“ITC”)

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

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

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

Common Reporting Standard (“CRS”)

The UK and a number of other jurisdictions have also agreed to enter into multilateral arrangements modelled on the Common Reporting Standard for Automatic Exchange of Financial Account Information published by the Organisation for Economic Co-operation and Development (OECD).

These agreements and arrangements, as transposed into UK law, may require the Company to provide certain information to HMRC about shareholders from the jurisdictions which are party to such arrangements (which information will in turn be provided to the relevant tax authorities). The Company as a UK Financial Institution is expected to comply with the requirements of CRS from 1 January 2016.

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

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

10. Meetings of Shareholders, Voting Rights and 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 seven days before the notice of that general meeting is sent out but excludes any person who is known to the ACD not to be a Shareholder at the time of the general meeting.

Convening and Requisition of Meetings

The ACD may convene a general meeting of Shareholders at any time. The ACD has dispensed with the requirement to hold an annual general meeting of Shareholders by resolution dated May 2005 pursuant to Regulation 37A of the OEIC Regulations. This means that there will be no further annual general meetings of Shareholders.

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 seven days before the notice of meeting is sent out.

A relevant Shareholder entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.

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

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

The ACD may not be counted in the quorum for, and neither the ACD nor any associate (as defined for the purposes of the FCA Rules) of the ACD is entitled to vote at, any meeting of Shareholders except in respect of Shares which the ACD or associate holds on behalf of or jointly with a person who, if himself the registered Shareholder, would be entitled to vote and from whom the ACD or associate has received voting instructions.

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

Class Meetings and Fund Meetings

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

Variation of Class Rights

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

Notifying Shareholders of Changes

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

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

A significant change is a change or event which is not fundamental but which affects a Shareholder's ability to exercise his rights in relation to his investment; which would reasonably be expected to cause the Shareholder to reconsider his participation in a Fund; or which results in any increased payments out of the Fund to the ACD or its associates; or which materially increases payments of any

other type out of a Fund. The ACD must give reasonable prior notice (not less than sixty days) in respect of any such proposed significant change.

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

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

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

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

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. 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.

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 long-term investment.

3. Suspension of Dealings in Shares

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

4. Collective Investment Schemes

Balanced Growth Portfolio, Balanced Portfolio Fund, Cautious Portfolio Fund, Dynamic Income Portfolio, Managed Income Portfolio, Momentum Income Portfolio, Opportunities Portfolio Fund, Progressive Portfolio Fund, Stockmarket Growth Portfolio and Strategic Growth Portfolio can invest in a range of assets including 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 has individual risks associated with it.

Where any of the Funds invest in collective investment schemes, the relevant 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 manage 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 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 appropriate and 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 any one: (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. 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.

13. 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.

14. 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.

15. 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.

16. 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.

17. Use of Derivatives

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 **International Equity Tracker 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.

Efficient portfolio management (EPM) techniques

(Note: securities lending, reverse repurchase transactions and techniques for the generation of additional capital or income do not apply to a Multi-Manager Fund or an Income and Growth Portfolio Fund)

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. (Note: securities lending, reverse repurchase transactions and techniques for the generation of additional capital or income do not apply to a Multi-Manager Fund or an Income and Growth Portfolio Fund). 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. 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. This may result in losses for investors.

Use of Derivatives for Investment Purposes

The use of derivatives will provide the **International Equity Tracker Fund** with the potential to track underlying country and regional equity markets using efficient portfolio management techniques. Use of derivatives in this way is not intended to increase the risk profile of the Fund but their use gives rise to different types of risks.

The principal risk arising from the use of derivatives will be additional counterparty risk to either exchanges for exchange traded derivatives or derivative counterparties for OTC transactions and also counterparty risk on the cash backing derivative position.

Derivatives also entail the use of collateral and therefore the Fund will have exposure to both the quality and security of the collateral received.

In addition to these risks, derivatives introduce basis risk which may result in the derivatives not moving in line with the underlying country or regional indices and in extreme stress scenarios may not move in the line with the indices on which the derivative is based.

Derivative related risks will be monitored and managed in order to maintain the overall Fund within the stated risk profile.

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 **International Equity Tracker Fund** to particular counterparties and in

relation to the use of collateral to reduce overall exposure to over-the-counter (“OTC”) derivatives; for example the 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 the Fund would be likely to suffer a loss which may have a significant impact on the investment performance of the Fund.

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 Managed Investment Funds ICVC

The Funds within this ICVC (detailed in Appendix D) are marketable to all retail 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 suspended (see "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 am and 5 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.

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 the COLL sourcebook) 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

www.financial-ombudsman.org.uk

Appendix A

Eligible Securities Markets and Eligible Derivatives Markets

Balanced Growth Portfolio, Balanced Portfolio Fund, Cash Fund, Cautious Portfolio Fund, Dynamic Income Portfolio, International Equity Tracker Fund, Managed Income Portfolio, Momentum Income Portfolio, Opportunities Portfolio Fund, Progressive Portfolio Fund, Stockmarket Growth Portfolio and Strategic Growth Portfolio

Securities markets established in any EEA State on which transferable securities admitted to official listing in that EEA State are dealt in or traded are eligible securities markets for these Funds.

In addition, each of these Funds may deal through any other eligible securities market and any eligible derivatives market being, in either case, a market which the ACD, after consultation with and notification to the Depositary, has decided to choose as one which is appropriate for the purpose of investment of or dealing in the property of that Fund. Any such market must operate regularly and be regulated, recognised and open to the public, be adequately liquid and have adequate arrangements for unimpeded transmission of income and capital to or to the order of investors.

A list of those other eligible securities markets and eligible derivatives markets for each of these Funds (if any) is set out below in this Appendix. 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

Balanced Growth Portfolio, Balanced Portfolio Fund, Cautious Portfolio Fund, Dynamic Income Portfolio, Managed Income Portfolio, Momentum Income Portfolio, Opportunities Portfolio Fund, Progressive Portfolio Fund, Stockmarket Growth Portfolio and Strategic Growth Portfolio

There are no such other eligible securities markets.

Cash Fund

EU/EEA	Alternative Investment Market (AIM)
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International Equity Tracker Fund

Australia	Australian Securities Exchange
EU/EEA	Alternative Investment Market (AIM)
Hong Kong	Hong Kong Exchanges and Clearing Ltd
Japan	Tokyo Stock Exchange
	Osaka Securities Exchange (incl JASDAQ)
	Fukuoka Stock Exchange
	Nagoya Stock Exchange
	Sapporo Securities Exchange

Republic of Korea	KOSDAQ Korea Stock Exchange
Singapore	Singapore Exchange (SGX)
Switzerland	SIX Swiss Exchange AG
USA	Chicago Stock Exchange New York Stock Exchange (incl ASE) National Stock Exchange Boston Stock Exchange NASDAQ US OTC Corporate Bond Market (TRACE)

Eligible Derivatives Markets

Balanced Growth Portfolio, Dynamic Income Portfolio, Managed Income Portfolio, Momentum Income Portfolio, Stockmarket Growth Portfolio, Strategic Growth Portfolio

Subject to the investment objective of the relevant Fund the following markets are eligible derivatives markets:

Austria	Austrian Futures and Options Exchange Weiner Bourse Derivatives Market
Australia	ASX Limited
Brazil	BM & F BOVESPA; Sao Paulo Stock Exchange
Canada	Montreal Exchange
Europe	EUREX; EDX; Euronext
Finland	EUREX
Germany	EUREX Derivatives Exchange
Hong Kong	Hong Kong Futures Exchange
Italy	Borsa Italiana Equity Derivatives Market
Japan	Osaka Stock Exchange Tokyo Futures / Financial Exchange Tokyo Stock Exchange
New Zealand	New Zealand Stock Exchange (incl NZ Futures Exchange)
Republic of Korea	Korea Exchange (derivatives) (incl Korean 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
USA	Chicago Board of Options (CBOE) Chicago Board of Trade, part of CME Group CME Group CME Globex (was GLOBEX)

	ICE Futures US
	New York Stock Exchange
	NASDAQ OMX Futures Exchange
	NASDAQ OMX PHLX
UK	Euronext Liffe
	ICE Futures Europe

Balanced Portfolio Fund, Cautious Portfolio Fund, Opportunities Portfolio Fund, Progressive Portfolio Fund

Australia	ASX Limited
Austria	Austrian Futures and Options Exchange Weiner Bourse Derivatives Market
Belgium	Euronext
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 (was Milan Stock Exchange (Italian Derivatives Exchange Market)) Osaka Stock Exchange (was Osaka Securities Exchange)
Japan	Tokyo Futures / Financial Exchange (was Tokyo International Financial Futures 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)
Singapore	Singapore Exchange (SGX)
Spain	MEFF Renta Fija; MEFF Renta Variable
Sweden	NASDAQ OMX Stockholm Exchange
Switzerland	EUREX
UK	Euronext Liffe; ICE Futures Europe
US	Chicago Board of Options (CBOE) Chicago Board of Trade, part of CME Group

CME Group
 CME Globex
 ICE Futures US
 New York Stock Exchange (incl ASE)
 NASDAQ OMX Futures Exchange
 NASDAQ OMX PHLX

Cash Fund, International Equity Tracker Fund

Subject to the investment objective of the Fund, the following markets are eligible derivatives markets:

Austria	Austrian Futures and Options Exchange Weiner Bourse Derivatives Market
Australia	ASX Limited
Belgium	Euronext
Brazil	BM & F BOVESPA Bovespa Sao Paolo
Canada	Montreal Exchange
Europe	EUREX; EDX; Euronext
Finland	EUREX
France	Euronext Paris
Germany	EUREX Derivatives Exchange
Hong Kong	Hong Kong Futures Exchange
Italy	Borsa Italiana Equity Derivatives Market Osaka Stock Exchange
Japan	Tokyo Futures / Financial Exchange Tokyo Stock Exchange
New Zealand	New Zealand Stock Exchange (incl 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
USA	Chicago Board of Options (CBOE) Chicago Board of Trade, part of CME Group CME Group CME Globex ICE Futures US New York Stock Exchange (incl ASE) NASDAQ OMX Futures Exchange

UK

NASDAQ OMX PHLX

Euronext Liffe

ICE Futures Europe

Appendix B

Investment and Borrowing Powers of the Company

This Appendix sets out the investment restrictions, on the use of Leverage (through borrowing and derivatives) applicable in terms of the FCA Rules to each Fund (which would, if a separate investment company with variable capital, be a non-UCITS retail scheme).

INVESTMENT RESTRICTIONS

The full range of investment and borrowing powers under Chapter 5 of the FCA Rules relevant to a non-UCITS retail scheme will not be applied. The property of each Fund will be invested with the aim of achieving the investment objective of that Fund but subject to a limited range of the investment powers set out in Chapter 5.6 of the FCA Rules and in this Prospectus.

In respect of all Funds (where permitted by the particular investment and borrowing powers of each Fund), 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; and
- b) 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.

Investment may only be made in a Second Fund or other collective investment schemes including those 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.

Balanced Portfolio Fund, Cautious Portfolio Fund, Opportunities Portfolio Fund and Progressive Portfolio Fund (each a "Multi-Manager Fund")

The ACD has adopted all of the investment powers which are available under COLL 5.6 which are equivalent to the powers for a fund of funds scheme (being a scheme which is dedicated to investment in a one or more collective investment schemes) but has otherwise restricted the wider investment powers which are available to a non-UCITS retail scheme. The following are limits on investment under the FCA Rules which apply to each Multi-Manager Fund:-

The Scheme Property of a Multi-Manager Fund must, subject to certain exceptions permitted in the FCA Rules, only consist of units in regulated collective investment schemes.

A Multi-Manager Fund must not invest in units in a collective investment scheme (a "second scheme") unless the second scheme meets each of the requirements at (1) to (5) below:

- (1) the second scheme:
 - (a) satisfies the conditions necessary for it to enjoy the rights conferred by the UCITS Directive; or
 - (b) is a non-UCITS retail scheme; or
 - (c) is a recognised scheme; or
 - (d) is constituted outside the 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
 - (e) is a scheme not falling within (a) to (d) and in respect of which no more than 20% in value of the scheme property (including any transferable securities which are not approved securities) is invested;
- (2) the second scheme operates on the principle of the prudent spread of risk;

(3) the second scheme is prohibited from having more than 15% in value of the property of that scheme consisting of units in collective investment schemes;

(4) the participants in the second scheme must be entitled to have their units redeemed in accordance with the scheme at a price:

(a) related to the net value of the property to which the units relate; and

(b) determined in accordance with the scheme; and

(5) where the second scheme is an umbrella, the provisions in (2) to (4) apply to each sub-fund as if it were a separate scheme.

The Multi-Manager Funds may invest in other schemes managed or operated by (or, if it is an ICVC, has as its ACD) the ACD or by an associate of the ACD only if:

(1) the prospectus of the investing authorised fund clearly states that the property of that investing fund may include such units; and

(2) the conditions in COLL 5.2.16 are complied with.

Cash and Near Cash

The investment policy of a Multi-Manager Fund may mean that at times it is appropriate not to be fully invested but to hold cash or near cash. This will only occur in relation to a Multi-Manager Fund when it may reasonably be regarded as necessary to enable Shares to be redeemed or for the efficient management of that Multi-Manager Fund in accordance with its investment objectives or a purpose which may reasonably be regarded as ancillary to the investment objectives of that Multi-Manager Fund.

Balanced Growth Portfolio, Dynamic Income Portfolio, Managed Income Portfolio, Momentum Income Portfolio, Stockmarket Growth Portfolio and Strategic Growth Portfolio (each an "Income and Growth Portfolio Fund")

The following are the restricted limits on investment under the FCA Rules which apply to each Income and Growth Portfolio Fund:-

The Scheme Property of an Income and Growth Portfolio Fund must, subject to certain exceptions permitted in the FCA Rules, only consist of units in regulated collective investment schemes.

1. Investment Limits

Generally, an Income and Growth Portfolio Fund may not invest in:-

1.
 - a) a feeder fund;
 - b) any other fund of funds scheme (being a scheme which is dedicated to investment in units and shares of one or more regulated collective investment schemes);
 - c) any recognised scheme which is dedicated to investment in a number of regulated collective investment schemes;
 - d) any recognised scheme which is dedicated to investment in a single regulated collective investment scheme or in a single eligible investment trust; or
 - e) any sub-fund of an umbrella or sub-fund of any other recognised scheme which is equivalent to a scheme within a) to d) above; or

2. any other fund equivalent to those set out at 1 (a) - (e).

Not more than 35% in value of the Scheme Property of an Income and Growth Portfolio Fund may consist of units in any one regulated collective investment scheme.

Each of the Income and Growth Portfolio Funds may be invested in units of collective investment schemes which are managed or operated by, or in relation to which the authorised corporate director is, the ACD or an associate of the ACD provided that certain provisions of the FCA Rules against double charging of preliminary and redemption charges are complied with.

2. Eligible Combinations of Scheme

An Income and Growth Portfolio Fund may invest in units in any one or more of a combination of collective investment schemes (a "second scheme") provided that the second scheme meets the following requirements:

1. the second scheme is:-

- (i) a securities scheme;
- (ii) a money market scheme; or
- (iii) a UCITS scheme equivalent to a securities scheme (being a scheme which invests predominantly in transferable securities, which limits its own investment in other collective investment schemes to 10%, which restricts the use of derivatives to efficient portfolio management and restricts the use of warrants to 5% in value of the scheme property);
- (iv) a UCITS scheme or a non-UCITS retail scheme in either case equivalent to a money market scheme (being a scheme which invests predominantly in money market instruments, cash or near cash, which limits its own investment in other collective investment schemes to 10%, which restricts the use of derivatives to efficient portfolio management and restricts the use of warrants to 5% in value of the scheme property); or
- (v) a scheme recognised under the provisions of sections 264, 270 or 272 of the Act and which is equivalent to (1), (2), (3) or (4) above; and

(2) the second scheme operates on the principle of the prudent spread of risk;

(3) the second scheme is prohibited from having more than 15% in value of the property of that scheme consisting of units in collective investment schemes;

(4) the participants in the second scheme must be entitled to have their units redeemed in accordance with the scheme at a price:

(a) related to the net value of the property to which the units relate; and

(b) determined in accordance with the scheme; and

(5) where the second scheme is an umbrella, the provisions in (2) to (4) apply to each sub-fund as if it were a separate scheme.

3. Cash and Near Cash

The investment policy of an Income and Growth Portfolio Fund may mean that at times it is appropriate not to be fully invested but to hold cash or near cash. This will only occur in relation to an Income and Growth Portfolio Fund when it may reasonably be regarded as necessary to enable Shares to be redeemed or for the efficient management of that Fund in accordance with its investment objectives or a purpose which may reasonably be regarded as ancillary to the investment objectives of that Fund.

In respect of Stockmarket Growth Portfolio, Balanced Growth Portfolio, Momentum Income Portfolio, Managed Income Portfolio and Strategic Growth Portfolio it is not anticipated that cash holding would extend beyond 15% of the value of the Scheme Property, although in exceptional circumstances this may be exceeded.

International Equity Tracker Fund

The International Equity Tracker Fund invests principally in derivatives. The ACD does not anticipate that such use of derivatives will raise the risk profile of the Fund.

The following are the restricted limits on investment which apply to the International Equity Tracker Fund:-

1. The Scheme Property of a scheme of this type must generally only consist of any or all of the following types of investment:-
 - (a) transferable securities (as defined for the purpose of COLL 5.2.7);
 - (b) certain permitted derivatives;
 - (c) certain forward transactions in currencies or gold;
 - (d) cash or near cash (as these terms are defined for the purposes of the FCA Rules);
 - (e) units in collective investment schemes of one of the following types: (a) a regulated collective investment scheme which is a futures and options scheme (being a scheme which is dedicated to investment in derivatives (where most or all of the transactions in derivatives are fully covered by cash, securities or derivatives) but which may also invest in transferable securities), a money market scheme (being a scheme which is dedicated to investment in deposits and debentures which are not transferable securities but which may also invest in transferable securities) or in any case a scheme of an equivalent category; or (b) a collective investment scheme which is a securities scheme (being a scheme which is dedicated to investment in transferable securities and which can invest not more than 10% in value of the scheme property in unapproved securities, not more than 5% in warrants and not more than 10% in other collective investment schemes and which is restricted in its use of derivatives to that of efficient portfolio management) or which otherwise fulfils the conditions necessary to enjoy the rights conferred by the UCITS directive; or (c) a collective investment scheme which is dedicated to investing funds raised from the public in approved derivatives (where most or all of the transactions in derivatives are fully covered by cash, securities or other derivatives) whether with or without transferable securities or covered forward transactions in currency or gold. Investment may be made in another collective investment scheme managed or operated by, or the authorised corporate director of which is, the ACD or an associate of the ACD provided that certain provisions of the FCA Rules against double charging of the preliminary and redemption charges are complied with; and
 - (f) gold.
2. The extent to which the International Equity Tracker Fund may be invested in such property set out at 1 above is limited by the provisions of the FCA Rules. The restricted investment limits applicable to the International Equity Tracker Fund are:-
 - (i) up to 10% in value of the Scheme Property of the International Equity Tracker Fund may consist of transferable securities (including warrants) which are not approved securities. Approved securities are transferable securities (including units or shares in collective investment schemes) which are (i) admitted to official listing in an EEA State or traded

on or under the rules of one of the eligible securities markets named or referred to in Appendix A in relation to that Fund (otherwise than by the specific permission of the market authority) or (ii) recently issued and the terms of 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;

- (ii) up to 5% in value of the Scheme Property of the International Equity Tracker Fund may consist of transferable securities (including warrants) issued by any one single body, except that (i) the figure of 5% may be increased to 10% in respect of up to 40% of the value of the Scheme Property and (ii) the figure of 5% may be increased to 25% in respect of covered bonds provided that when a Fund invests more than 5% in covered bonds issued by a single body, the total value of covered bonds must not exceed 80% of the value of the International Equity Tracker Fund (and in applying these limits certificates representing certain securities are to be treated as equivalent to the underlying security). The ACD does not intend to invest the International Equity Tracker Fund in covered bonds. These limitations do not apply to transferable securities issued by (a) an EEA State; (b) a local authority of an EEA State; (c) a non-EEA State; or (d) a public international body to which one or more EEA States belong ("such Securities");
- (iii) where no more than 35% in value of the Scheme Property of the International Equity Tracker Fund is invested in such Securities issued by any one body, there is no limit on the amount of the Scheme Property of a Fund which may be invested in such Securities or of any one issue;
- (iv) No more than 35% in value of the Scheme Property of the International Equity Tracker Fund is to be invested in such Securities issued by any one single body listed in paragraph (ii) above unless the ACD, after consultation with the Depositary, considers the issuer of such securities as one which is appropriate in accordance with the investment objectives of the Fund;
- (v) in respect of the International Equity Tracker Fund subject to the investment objective and policy of each such Fund, more than 35% and up to 100% of the Scheme Property of the Fund may be invested in such Securities issued by any one single body listed in paragraph (ii) above, in which case, not more than 30% of the Scheme Property of that Fund may consist of such Securities of any one issue and the Scheme Property of that Fund must include such securities of at least six different issues (whether of that issuer or another issuer) and provided certain details have been disclosed in the instrument of incorporation and this Prospectus. The names of the individual States, local authorities and public international bodies in whose such Securities each such Fund may invest over 35% of its assets are set out in Table 1 at the end of this Appendix B;
- (vi) in and for the purposes of paragraphs (iii), (iv) and (v) above, "issue", "issued" and "issuer" include "guarantee", "guaranteed" and "guarantor";
- (vii) paragraphs (ii), (iii), (iv) and (v) above do not apply until the expiry of a period of 6 months after the effective date of the authorisation order of the Fund (or the date on which the initial offer commenced (if later)) provided that the rules on a prudent spread of risk are complied with;
- (viii) up to 5% of the Net Asset Value of the Fund may consist of transferable securities which are warrants. Call options are not deemed to be warrants for the purposes of this 5% restriction;
- (ix) transferable securities on which any sum is unpaid may be held only if it is reasonably foreseeable that the amount of any existing or potential call for any sum unpaid could be paid by the relevant Fund at any time when the payment is required without contravening the FCA Rules;

- (x) the limits in paragraphs (i) to (ix) above are subject to the specific modifications summarised below;
- (xi) A derivatives transaction must be (a) in an approved derivative (as defined above) effected on or under the rules of an eligible derivatives market (named or referred to in Appendix A in relation to that Fund); or (b) one which is (1) a future or an option or a contract for differences; (2) with an approved counterparty; a counterparty to a transaction in derivatives is approved only if the counterparty is: (a) an eligible institution or an approved bank; or (b) a firm whose permission (including any requirements or limitations), as published in the FCA record, permits it to enter into the transaction as principal off-exchange; (3) on approved terms; the terms of a transaction in derivatives are approved only if, before the transaction is entered into, the depositary is satisfied that the counterparty has agreed with the ICVC: (a) to provide 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 at least once a week and at any other time at the request of the ICVC; and (b) that it will, at the request of the ICVC, enter into a further transaction to sell, liquidate or close out that transaction, at a fair value arrived at under the pricing model or reliable market value basis agreed under (4); and (4) capable of reliable valuation; a transaction in derivatives is capable of reliable valuation only if the authorised fund manager 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: (a) on the basis of an up-to-date market value which the ACD and the Depositary have agreed is reliable or (if this is not available) on the basis of a pricing model which the ACD and the Depositary have agreed uses an adequate recognised methodology) and (d) subject to verifiable valuation (i.e. if throughout the life of the derivative (if the transaction is entered into) verification of the valuation is carried out entirely by an appropriate third party independent of the counterparty at an adequate frequency in such a way that the ACD is able to check it, or by a department within the ACD which is independent from the department managing the Scheme Property and which is adequately equipped for the purpose). 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;
- (xii) No derivatives or forward transaction may be effected unless the transaction is the subject of deposit arrangements as required by the FCA Rules or is fully covered, which means that the maximum potential exposure created by the transaction in terms of the principal or notional principal (within the meaning of the FCA Rules) of the transaction is:-
- 1(a) covered individually under (2) or (3); and
 - (b) covered globally under (4).
- (2) Exposure is covered individually if there is, in the scheme property:
- (a) (in the case of an exposure in terms of property) a transferable security or other property which is of the right kind, and sufficient in amount, to match the exposure; and
 - (b) (in the case of an exposure in terms of money), cash or near cash or transferable securities which is or are, or, on being turned into money in the right currency, will be, sufficient in amount to match the exposure.

(3) However, exposure to an index or basket of securities or other assets is covered individually for the purposes of (2) if the scheme holds transferable securities or other property which (taking into account the closeness of the relation between fluctuations in the price of the two) can reasonably be regarded as appropriate to provide cover for the exposure; they may be so regarded even if there is not complete congruence between the cover and the exposure.

(4) Exposure is covered globally if, after taking account of all the cover required under (2) or (3) for other positions already in existence, exposure does not exceed the net asset value of the Scheme Property, taking into account the value of the underlying assets, future market movements, counterparty risk and the time available to liquidate any position.

(5) Whether or not a derivative or forward transaction is available (see xviii below) to provide cover for another derivative or forward transaction:

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

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

(6) Property is not available for cover if it is the subject of a stocklending transaction under unless the ACD having taken reasonable care determines that it is obtainable (by return or re-acquisition) in time to meet the obligation for which cover is required.

- (xiii) The ACD is required, at least daily and at each valuation point (and more frequently if necessary) to re-calculate the amount of cover required in respect of derivatives and forward positions already in existence and derivatives and rights under forward transactions may be retained in the Scheme Property of the International Equity Tracker Fund only so long as they remain covered both individually and globally. If at any time any fact or matter relating to the International Equity Tracker Fund or its economic environment or the aggregate of all outstanding derivatives or forward transactions is such that at least one of the relevant transactions could not properly have been effected either in that size or at all, the ACD must immediately on becoming aware of that fact or matter take the necessary steps to rectify the situation whether by closing out or providing additional cover or otherwise.
- (xiv) Cash obtained by borrowing, and borrowings to which the ACD reasonably regards an eligible institution to be committed to provide, are not available for cover.
- (xv) Not more than 10% of the value of the Scheme Property of the International Equity Tracker Fund may be used to purchase options without the cover referred to at (ii) above (taking the current market value of the option as its value for this purpose) provided that the ACD (a) arranges for the Depositary to deposit and set aside with an eligible institution or an approved bank any amount by which 5% of the exercise value of the option (that is the amount which would be payable by the Fund on exercise of the option) exceeds the amount paid by way of premium that excess (if any) must not be used for the purpose of providing cover under the rules and (b) there is deducted from the figure of 10% any percentage of the value of the Scheme Property invested in transferable securities in the form of warrants.
- (xvi) Forward transactions must be with an approved counterparty within the FCA Rules.
- (xvii) Not more than 10% in value of the Scheme Property of the International Equity Tracker Fund may be held in the form of gold.
- (xviii) Derivatives may be used as cover for other derivatives only in certain circumstances, where one such derivative has an exposure which, in terms of risk, is equal and opposite to the other. Those circumstances are as follows:-

- "(1) Where the ACD proposes to use a position resulting from a transaction in derivatives as cover (whether in whole or in part) for the exposure of another transaction in derivatives Paragraph (xii) has effect as modified below: -
- (2) On the basis that the requirements of paragraph (xii) are satisfied, (3) contains the requirements for the purposes of (1).
- (3) (a) "Countervailing" means that one of the two derivatives has an exposure which, in terms of risk, is equal and opposite to the exposure of the other, and "offset" means that there is an equal and opposite coverage in terms of risk.
- (b) A derivative of one type provides cover for a countervailing derivative of the same type.
- (c) A derivative of one type provides cover for a countervailing derivative of a different type if, but only if:
- (i) the right under one offsets and is offset by the obligation under the other; or
- (ii) Paragraph (g) applies.
- (d) In applying (b) and (c), differences between the derivatives in terms of price, maturity and exercise price may be ignored, except where (b) is disapplied by (e).
- (e) Paragraph (b) does not apply if an opportunity to exercise the right under the one derivative will become available to the futures and options scheme only after the first date on which the potential obligation under the other may become an actual obligation.
- (f) Where, under (b), an authorised fund manager decides that a written option and a bought option should provide mutual cover, the authorised fund manager must arrange for the depositary to deposit and set aside with an eligible institution or an approved bank the whole amount of the difference between the exercise value of the two options (that is the amount which would be payable by or to the futures and options scheme on exercise of the options) inclusive of any margin requirements of the exchange. That amount must not be used for the purposes of providing cover, other than under this paragraph (f).
- (g) A written option provides cover for, and is covered by, a countervailing future only if the option is in the money to the purchaser of the option. If the written option is out of the money to the purchaser, then both it and the future must each be separately covered.
- (h) A contract for differences may be included if and to the extent that it has the characteristics of a future or an option for other derivatives only in certain circumstances specified in the FCA Rules, where one such derivative has an exposure which, in terms of risk, is equal and opposite to the other.
- (xix) Not more than 10% in value of the Scheme Property of the International Equity Tracker Fund may be kept as cash on deposit with any one person. For this purpose, the Depositary and its associates are regarded as one person, and the ACD and its associates are also regarded as one person. However, up to 20% in value of the Scheme Property may be kept on deposit with one person if that person is an eligible institution or an approved bank (other than the Depositary or the ACD or any of their respective associates) provided that the amount of the deposit does not exceed 10% of that person's issued capital and reserves as shown in its most recently published annual accounts. In any event, the foregoing limitations in this paragraph (xvii) apply only if the total value

of the Scheme Property of the International Equity Tracker Fund which is held on deposit is more than £1 million.

- (xx) Not more than 5% of the value of the Scheme Property of the International Equity Tracker Fund may be directed to initial outlay in respect of over the counter transactions with any one counterparty.
- (xxi) Not more than 10% in value of the Scheme Property of the International Equity Tracker Fund may consist of units in collective investment schemes.
- (xxii) A derivatives or forward transaction which will or could lead to the delivery of property for the account of the International Equity Tracker Fund may be entered into only if that property can be held for the account of the Fund (or else the transaction is a bought future or bought call option) 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.
- (xxiii) (1) The Fund must not invest in or dispose of units in another collective investment scheme (the second scheme), which is managed or operated by (or in the case of an ICVC, whose ACD is):
 - (a) the authorised fund manager of such authorised fund; or
 - (b) an associate of that authorised fund manager;

unless the authorised fund manager of the authorised fund is under a duty to pay to the authorised fund by the close of business on the fourth business day next after the agreement to buy or to sell the amount referred to in (2) and (3).

(2) On investment, either:

 - (a) any amount by which the consideration paid by the ACD for the units in the second scheme exceeds the price that would have been paid for the benefit of the second scheme had the units been newly issued or sold by it; or
 - (b) if such price cannot be ascertained by the ACD, the maximum amount of any charge permitted to be made by the seller of units in the second scheme.

(3) On disposal, the amount of any charge made for the account of the authorised fund manager or operator of the second scheme or an associate of any of them in respect of the disposal.

(4) In (1), (2) and (3):

 - (a) any addition to or deduction from the consideration paid on the acquisition or disposal of units in the second scheme, which is applied for the benefit of the second scheme and is, or is like, a dilution levy or SDRT provision is to be treated as part of the price of the units and not as part of any charge; and
 - (b) any charge made in respect of an exchange of units in one sub-fund or separate part of the second scheme for units in another sub-fund or separate part of that scheme is to be included as part of the consideration paid for the units.
- (xxiv) Where a reference to an authorised fund of a particular type is made above, that reference is to be treated as a reference also to:
 - (1) a sub-fund which would, if it were the subject of a separate authorisation order be an authorised fund of that particular type; and
 - (2) a separate part of a recognised scheme that is equivalent to a sub-fund within (1).

3. The International Equity Tracker Fund may hold cash and near cash without limitation.

Cash Fund

The following are the restricted limits on investment under the FCA Rules which apply to the Cash Fund:-

1. Except where otherwise provided in the FCA Rules, the Cash Fund may invest only in the following types of investment:-
 - (a) cash and near cash (as these terms are defined for the purposes of the FCA Rules: "near cash", for example, includes, among other investments, government and public securities, if redeemable at the option of the holder or bound to be redeemed within two years);
 - (b) bills of exchange accepted by an eligible institution, if repayable within twelve months;
 - (c) instruments creating or acknowledging indebtedness which are:
 - (i) repayable within twelve months;
 - (ii) not subordinated; and
 - (iii) either approved securities (i.e. transferable securities admitted to official listing in an EEA State or traded on or under the rules of an eligible securities market named or referred to in Appendix A in relation to the Fund (otherwise than by virtue of the specific permission of the market authority)) or investments issued by an eligible institution otherwise than in return for a deposit in (a) above.
 - (d) a deposit which would be within (a) above (near cash) except that it is repayable within six months (instead of immediately) and without payment of a penalty exceeding seven days' interest calculated at ordinary commercial rates.
 - (e) units in one or more regulated collective investment schemes each of which is either a money market scheme (being a scheme which is dedicated to investment in deposits and debentures which are not transferable securities but which may also invest in transferable securities) or its equivalent. The Cash Fund must not invest in or dispose of units in another collective investment scheme (the second scheme), which is managed or operated by (or in the case of an ICVC, whose ACD is):
 - (a) the authorised fund manager of such authorised fund; or
 - (b) an associate of that authorised fund manager;
 unless the authorised fund manager of the authorised fund is under a duty to pay to the authorised fund by the close of business on the fourth business day next after the agreement to buy or to sell the amount referred to in (2) and (3).
- (2) On investment, either:
 - (a) any amount by which the consideration paid by the ACD for the units in the second scheme exceeds the price that would have been paid for the benefit of the second scheme had the units been newly issued or sold by it; or
 - (b) if such price cannot be ascertained by the ACD, the maximum amount of any charge permitted to be made by the seller of units in the second scheme.

(3) On disposal, the amount of any charge made for the account of the authorised fund manager or operator of the second scheme or an associate of any of them in respect of the disposal.

(4) In (1), (2) and (3):

(a) any addition to or deduction from the consideration paid on the acquisition or disposal of units in the second scheme, which is applied for the benefit of the second scheme and is, or is like, a dilution levy or SDRT provision is to be treated as part of the price of the units and not as part of any charge; and

(b) any charge made in respect of an exchange of units in one sub-fund or separate part of the second scheme for units in another sub-fund or separate part of that scheme is to be included as part of the consideration paid for the units.

Where a reference to an authorised fund of a particular type is made above, that reference is to be treated as a reference also to:

(1) a sub-fund which would, if it were the subject of a separate authorisation order be an authorised fund of that particular type; and

(2) a separate part of a recognised scheme that is equivalent to a sub-fund within (1).

2. At least 50% in value of the Scheme Property of the Cash Fund must consist of instruments or deposits which are permitted under 1. above and which are redeemable or repayable within two weeks or, in the case of instruments, are capable of being transferred without the consent of a third party (including for this purpose the issuer of the instrument).
3. The Cash Fund may hold cash and near cash without limitation.
4. There are limitations on the proportion of the value of the Scheme Property the Cash Fund which may be held in certain forms of investments. These are as follows:-
 - (i) not more than 10% in value of the Scheme Property may be kept on deposit with any one person. For this purpose the Depositary and its associates are regarded as one person, and the ACD and its associates are also regarded as one person. However, up to 20% in value of the Scheme Property may be kept on deposit with any one person if that person is an eligible institution (and is not the Depositary, the ACD or an associate of either of them), provided that the amount of the deposit does not exceed 10% of that eligible institution's issued capital and reserves as shown in its most recently published accounts, provided that none of the foregoing limitations in this sub-paragraph (i) apply unless the total value of the Scheme Property of the Cash Fund which is held on deposit first exceeds £1 million;
 - (ii) not more than 80% in value of the Scheme Property may consist of transferable securities (including warrants but excluding investment in units in collective investment schemes);
 - (iii) not more than 30% in value of the Scheme Property may consist of such Securities of the same issue. If more than 35% in value of the Scheme Property is invested in such Securities, it must include such Securities listed in paragraph (2)(ii) above in relation to International Equity Tracker Fund of at least six different issues;
 - (iv) not more than 5% in value of the Scheme Property may consist of instruments issued by any one single body which are not such Securities listed in paragraph (2)(ii) above in relation to International Equity Tracker Fund;

- (v) not more than 10% in value of the Scheme Property is to consist of units within 1(e) above;
 - (vi) transferable securities 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 Cash Fund at any time when payment is required without contravening Chapter 5 of the FCA Rules.
 - (vii) Not more than 5% in value of the Scheme Property is to consist of transferrable securities which are warrants. Call options are not deemed to be warrants for the purposes of this 5% restriction.
5. The Scheme Property must not be mortgaged.
 6. Nothing in COLL 5.5.7 prevents the ICVC or the depositary at the request of the ICVC from lending, depositing, pledging or charging scheme property for margin requirements where transactions in derivatives or forward transactions are used for the account of the authorised fund in accordance with any other of the rules.

General Points applicable to the Company as a whole

Further, the Company must not hold:-

- transferable securities (other than debt securities) which do not carry a right to vote at a general meeting of the body corporate that issued them and which represent more than 10% of those securities issued by that body corporate;
- more than 10% of the debt securities issued by any single issuing body; and
- except in the case of the Multi-Manager Funds, the Income and Growth Portfolio Funds and a feeder fund, more than 10% of the units in a collective investment scheme.

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

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

USE OF DERIVATIVES

The International Equity Tracker Fund can use derivative transactions in accordance with the restricted limits on investment which are detailed for those specific funds above in Appendix B.

The Company may also use derivative transactions for the purposes of efficient portfolio management ("EPM"), a summary of which is set out below, including hedging. **In the opinion of the ACD, at no time does the use of derivatives increase the risk profile of any of the Funds.**

Permitted transactions for those purposes (excluding stock lending transactions) are forward currency transactions with approved counterparties and transactions in:

- (i) approved derivatives (i.e. options, futures or contracts for differences (in respect of the International Equity Tracker) and contracts for differences resembling options (in respect of all other Funds) which are dealt in or traded on an eligible derivatives market); or
- (ii) off-exchange derivatives (i.e. futures, options or contracts for differences resembling options with a counterparty falling within certain specified categories and meeting certain other criteria); or
- (iii) synthetic futures (i.e. derivatives transactions in the nature of composite derivatives created out of two options bought and written on the same eligible derivatives market and having certain characteristics in common) which meet detailed requirements set out in the FCA Rules.

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

Not more than 5% of the value of the Scheme Property of a Fund is to be directed to initial outlay in respect of over the counter transactions with any one counterparty.

A derivatives or forward transaction which will or could lead to delivery of property to the Depositary or to the Company may be entered into only if such property can be held by the Company and the ACD has taken reasonable care to determine that delivery of the property pursuant to the transaction will not occur or will not lead to a breach of the FCA Rules.

There is no limit on the amount of the Scheme Property of any Fund which may be used for transactions for the purposes of efficient portfolio management but each transaction for the account of any Fund must satisfy three broadly based requirements:-

- (1) the transaction must be one which the ACD has ascertained with reasonable care to be economically appropriate to the efficient portfolio management of the relevant Fund in that it is realised in a cost effective way. Also the ACD will take reasonable care to determine that, for a transaction undertaken to reduce risk or cost (or both), the transaction (alone or in combination) will diminish a risk or cost of a kind or level which it is sensible to reduce and, for a transaction undertaken to generate additional capital or income, the relevant Fund (unless it is a Multi Manager Fund or Income and Growth Portfolio Fund) is certain (or certain barring events which are not reasonably foreseeable) to derive a benefit from the transaction. A transaction may not be entered into if its purpose could reasonably be regarded as speculative;
- (2) the purpose of the transaction must be to achieve one of the following in respect of the Fund in question:-
 - (a) **reduction of risk** – this, for example, allows for the use of the technique of cross-currency hedging in order to switch all or part of the Scheme Property of the Fund away from a currency the ACD considers unduly prone to risk into another currency.

This aim also permits the use of tactical asset allocation described in sub-paragraph (b) below;

- (b) **reduction of cost** – for example, the aims of reduction of risk and reduction of cost, together or separately, allow the ACD on a temporary basis to use the technique of tactical asset allocation. Tactical asset allocation permits the ACD to undertake a switch in the Fund's exposure by the use of derivatives rather than through the sale and purchase by the Fund of transferable securities. If a transaction for the Fund relates to the acquisition or potential acquisition of transferable securities, the ACD must intend that the Fund should invest in transferable securities within a reasonable time and the ACD must thereafter ensure that, unless the position has itself been closed out, that intention is realised within that reasonable time.
- (c) **generation of additional capital or income for the Company with an acceptably low level of risk which is consistent with the Fund's risk profile and the risk diversification rules laid down in the FCA Rules** – there is an acceptably low level of risk in any case where the ACD has taken reasonable care to determine that the Fund is certain (or certain barring events which are not reasonably foreseeable) to derive a benefit from stocklending (which is described below under "Stocklending") or on the basis either of taking advantage of pricing imperfections in relation to the acquisition and disposal (or vice versa) of rights in relation to property the same as, or equivalent to property which the authorised fund holds or may properly hold or of receiving premiums for the writing of covered put or call options. **This paragraph (c) does not apply to a Multi-Manager Fund or an Income and Growth Portfolio Fund.**

The relevant purpose must relate to the Scheme Property of the Fund in question, property (whether precisely identified or not) which is to be or is proposed to be acquired for that Fund or anticipated cash receipts of that Fund if due to be received at some time and likely to be received within one month; and

- (3) the maximum potential exposure created by each transaction must be covered "individually" by assets of the right kind within the Fund's Scheme Property (i.e., in the case of an exposure in terms of property, appropriate transferable securities or other property; and, in the case of an exposure in terms of money, cash, near cash, borrowed cash or transferable securities which can be sold to realise the appropriate cash) and "globally" (i.e. 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. Property and cash can be used only once for cover and, generally, property is not available for cover if it is the subject of a stocklending transaction. The lending transaction in a back to back currency borrowing does not require cover.

STOCKLENDING

The Company (or the Depositary at the request of the Company) may enter into certain repo contracts and/or stocklending transactions in respect of any Fund **other than a Multi-Manager Fund and an Income and Growth Portfolio Fund**. Briefly, such transactions are those where the Depositary delivers at the request of the Company 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. There is no limit on the value of the property of any Fund which may be the subject of repo contracts or stocklending transactions.

Stocklending transactions must always comply with the relevant requirements of the Taxation of Chargeable Gains Act 1992. Repo contracts and stocklending transactions will be subject to the relevant requirements of the FCA Rules as amended from time to time.

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 COLL 5.5.8, (save that no agreement or understanding may be entered into if it relates to units in a collective investment scheme) be entered into for the account of any Fund.

BORROWING POWERS

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

Borrowings must not be persistent. Each borrowing must be on a temporary basis and in any event must not be for a period exceeding three months without the prior consent of the Depositary, which may be given only on such conditions as appear appropriate to the Depositary to ensure that the borrowing does not cease to be on a temporary basis. **This paragraph does not apply to the International Equity Tracker 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).

Cover for sales (for all Funds except the Multi-Manager Funds)

No agreement by or on behalf of the Company to dispose of property or rights may be made (a) unless the obligation to make the disposal and any other similar obligation could immediately be honoured by the authorised fund by delivery of property or the assignment (or, in Scotland, assignation) of rights; and (b) the property and rights at (a) are owned by the authorised fund at the time of the agreement.

The paragraph above does not apply to a transaction in derivatives or a forward transaction for the purposes of EPM.

Cover for sales for the Multi-Manager Funds

(1) No agreement by or on behalf of the Company in respect of any of these Funds to dispose of property or rights may be made unless:

- (a) the obligation to make the disposal and any other similar obligation could immediately be honoured by the Fund by delivery of property or the assignment (or, in Scotland, assignation) of rights; and
- (b) the property and rights at (a) are owned by the Fund at the time of the agreement.

(2) Paragraph (1) does not apply to a deposit.

(3) Paragraph (1) does not apply where:

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

(b) the authorised fund manager or the depositary has the right to settle the derivative in cash, and cover exists within the scheme property which falls within one of the following asset classes:

(i) cash;

(ii) liquid debt instruments (e.g. government bonds of first credit rating) with appropriate safeguards (in particular, haircuts); or

(iii) other highly liquid assets having regard to their correlation with the underlying of the financial derivative instruments, subject to appropriate safeguards (e.g. haircuts where relevant).

(4) In the asset classes referred to in (3), an asset may be considered as liquid where the instrument can be converted into cash in no more than seven business days at a price closely corresponding to the current valuation of the financial instrument on its own market.

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 can invest more than 35% of its assets: -

There are currently no such States, local authorities or public international bodies.

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

Fund	Reference Numbers
There are currently no Funds to which this applies.	

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
Balanced Growth Portfolio	500%	150%
Balanced Portfolio Fund	500%	150%
Cash Fund	0%	0%
Cautious Portfolio Fund	500%	110%
Dynamic Income Portfolio	500%	150%
International Equity Tracker Fund	500%	300%
Managed Income Portfolio	500%	150%
Momentum Income Portfolio	500%	150%
Opportunities Portfolio Fund	500%	150%
Progressive Portfolio Fund	500%	150%
Stockmarket Growth Portfolio	500%	150%
Strategic Growth Portfolio	500%	150%

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:	Balanced Growth Portfolio
FCA Product Reference (“PRN”)	639421
Investment Objective:	The Fund aims to provide long term growth by mainly investing in regulated collective investment schemes which are currently and/or which have been managed or operated within the Lloyds Banking Group. The Fund will primarily invest in a balance of fixed interest and equity funds.
Important Note:	Aberdeen Asset Management PLC acquired Scottish Widows Investment Partnership Limited (SWIP) (previously a company within the Lloyds Banking Group) and its subsidiaries on 31 March 2014. It is intended that the Fund will continue to invest in those regulated collective investment schemes which had been managed or operated by entities which were within the Lloyds Banking Group immediately prior to the acquisition but which are now managed or operated by entities within the Aberdeen Asset Management Group.
Investment Policy:	<p>The Fund will provide exposure to UK and overseas equities, sterling denominated fixed interest securities and overseas bonds. The Fund may also invest in other investments permitted by FCA Rules for this type of scheme that are consistent with the Fund’s objectives. Non-sterling investments may be hedged back to sterling.</p> <p>Derivatives may be used for efficient portfolio management purposes only.</p>
Share Classes:	<p>Class A net accumulation shares Class G net accumulation shares Class P net accumulation shares (see Note 1 below) Class T net accumulation shares (see Note 2 below)</p>
Minimum Initial Investment:	<p>Class A share class: £1,000 Class G share class: £1,000 Class P share class: £100 (holders of Class A Shares only) £1,000 (investors other than holders of Class A Shares) Class T share class: £1,000,000</p>
Minimum Subsequent Investment:	<p>Class A share class: £100 Class G share class: £100 Class P share class: £100 Class T share class: £100,000</p>
Minimum Holding:	Class A share class: £500 (see Note 3 below)

	Class G share class:	£500	
	Class P share class:	£500 (see Note 3 below)	
	Class T share class:	£500,000	
Preliminary Charge:	Class A share class:	5.0% (current)	7% (maximum)
	Class G share class:	0% (current)	1% (maximum)
	Class P share class:	0% (current)	7% (maximum)
	Class T share class:	0.0% (current)	7% (maximum)
Annual Management Charge:	Class A share class:	1.5% (current)	2.5% (maximum)
	Class G share class:	0.85% (current)	0.85% (maximum)
	Class P share class:	1.00% (current)	2% (maximum)
	Class T share class:	0.15% (current)	1.5% (maximum)
Fee for Switching into Fund	Class A share class:	0.5% (current)	7% (maximum)
	Class G share class:		
	Class P share class:	0% (current)	7% (maximum)
	Class T share class:	0.0% (current)	7% (maximum)
Interim Accounting Period(s)	None		
Income Allocation Date(s):	30 June (Annual)		
Historical Past Performance:	Details are set out in Appendix H		
Additional Information:	The Fund invests principally in collective investment schemes established in EEA States.		
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.		

- Note 1:** Class P share classes are not available to any person other than:-
- (a) a holder of Class A Shares in Balanced Growth Portfolio who subscribes amounts to such Fund 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 in existence prior to 20 February 2017, 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; or
 - (b) a person who subscribes amounts to Balanced Growth Portfolio 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; and (b) regular savings arrangements which commence on or after 20 February 2017, including any subsequent increases made to them, 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; or
 - (c) a person, not being a person of the type referred to in the preceding paragraphs (a) and (b), to whom the ACD at its entire discretion has decided that such Shares may be made available.

- Note 2:** The Class T Share Class is not available to any person other than:-
- (a) a company providing Child Trust Fund accounts pursuant to The Child Trust Fund Regulations 2004 (SI 2004/1450); 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 3:** This minimum holding may be satisfied by a Shareholder's cumulative holdings in Class A and P share classes.

Name:	Balanced Portfolio Fund	
FCA Product Reference (“PRN”):	639412	
Investment Objective:	To provide long term capital growth by investing mainly in multi-manager regulated collective investment schemes. The Fund will invest in a balance of Fixed Income and Equity funds (up to a maximum of 60% in Equity funds). These investments will be diversified across a number of geographic areas including the United Kingdom and other international markets.	
Investment Policy:	<p>The Fund will invest mainly in both multi-manager Equity funds and multi-manager Fixed Income funds.</p> <p>The Equity funds that are selected will aim to provide capital growth by investing primarily in equity securities and will be chosen to provide a broad diversification by country, sector and companies.</p> <p>The Fixed Income funds that are selected will aim to provide income and capital growth by investing primarily in investment grade bonds issued from a number of international markets and denominated in a variety of currencies. Non-sterling fixed income investments may be hedged back to sterling.</p> <p>Derivatives may be used for efficient portfolio management purposes only.</p>	
Share Classes:	Class A net accumulation shares Class P net accumulation shares (see Note 1 below) Class X net accumulation shares (see Note 2 below)	
Minimum Initial Investment:	Class A share class:	£1,000
	Class P share class:	£100 (holders of Class A Shares only) £1,000 (investors other than holders of Class A Shares)
	Class X share class:	£1,000,000
Minimum Subsequent Investment:	Class A share class:	£100
	Class P share class:	£100
	Class X share class:	£500,000
Minimum Holding:	Class A share class:	£500 (see Note 3 below)
	Class P share class:	£500 (see Note 3 below)
	Class X share class:	£500,000
Preliminary Charge:	Class A share class:	5% (current) 7% (maximum)
	Class P share class:	0% (current) 7% (maximum)
	Class X share class:	0% (current) 7% (maximum)
Annual Management Charge:	Class A share class:	2% (current) 3% (maximum)
	Class P share class:	1.50% (current) 2.5% (maximum)
	Class X share class:	0.6% (current) 3% (maximum)
Fee for Switching into Fund	Class A share class:	0.5% (current) 7% (maximum)

	Class P share class:	0% (current)	7% (maximum)
	Class X share class:	0% (current)	7% (maximum)
Interim Accounting Period(s):	None		
Income Allocation Date(s):	30 June (Annual)		
Historical Past Performance:	Details are set out in Appendix H.		
Additional Information:	The Fund invests principally in collective investment schemes established in EEA States.		
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.		

- Note 1:** Class P share classes are not available to any person other than:-
- (a) a holder of Class A Shares in the Balanced Portfolio Fund who subscribes amounts to such Fund 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 in existence prior to 20 February 2017, 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; or
 - (b) a person who subscribes amounts to the Balanced Portfolio Fund 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; and (b) regular savings arrangements which commence on or after 20 February 2017, including any subsequent increases made to them, 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; or
 - (c) a person, not being a person of the type referred to in the preceding paragraphs (a) and (b), to whom the ACD at its entire discretion has decided that such Shares may be made available.

- Note 2:** Class X share classes are not available to any person other than:-
- (a) a company which is in the Group of companies consisting of the ultimate holding company of the ACD and each of the subsidiaries of that holding company; or
 - (b) a person, not being a company of the type referred to in the preceding paragraph (a), to whom the ACD at its entire discretion has determined that such Shares may be made available.

- Note 3:** This minimum holding may be satisfied by a Shareholder's cumulative holdings in Class A and P share classes.

Name:	Cash Fund		
FCA Product Reference (“PRN”):	639416		
Investment Objective:	To provide a level of income which is compatible with a high level of capital security through investment in financial instruments in which a non-UCITS retail scheme equivalent to a money market scheme (see Note 1) is authorised to invest.		
	Note 1: Being a scheme which is dedicated to investment in deposits and debentures which are not transferable securities. This type of scheme may also invest in transferable securities but not more than 5% of the scheme property can be invested in warrants, not more than 10% can be invested in appropriate collective investment schemes and the use of derivatives is restricted to efficient portfolio management.		
Investment Policy:	The Fund will invest in short dated gilts, treasury bills and money market instruments such as bank and building society deposits, local authority bonds, local authority deposits, and certificates of deposit.		
Share Classes:	Class A gross accumulation shares Class A gross income shares Class X gross accumulation shares (See Note 1 below)		
Minimum Initial Investment:	Class A share classes:	£100,000	
	Class X share class:	£1,000,000	
Minimum Subsequent Investment:	Class A share classes:	£100	
	Class X share class:	£500,000	
Minimum Holding:	Class A share classes:	£500	
	Class X share class:	£500,000	
Preliminary Charge:	Class A share classes:	0% (current)	7% (maximum)
	Class X share class:	0% (current)	7% (maximum)
Annual Management Charge:	Class A share classes:	0.5% (current)	2.5% (maximum)
	Class X share class:	0% (current)	2.5% (maximum)
Fee for Switching into Fund	Class A share classes:	0% (current)	7% (maximum)
	Class X share class:	0% (current)	7% (maximum)
Interim Accounting Period(s):	1 May – 31 October		
Income Allocation Date(s):	30 June (Annual) 31 December (Interim)		
Historical Past Performance:	Details are set out in Appendix H.		
Status of Fund for UK tax purposes	The Fund is currently a Bond fund for UK tax purposes and therefore any income paid or allocations made will constitute an		

interest distribution.

- Note 1:** Class X share classes are not available to any person other than:-
- (a) a company which is in the Group of companies consisting of the ultimate holding company of the ACD and each of the subsidiaries of that holding company; or
 - (b) a person, not being a company of the type referred to in the preceding paragraph (a), to whom the ACD at its entire discretion has determined that such Shares may be made available.

Name:	Cautious Portfolio Fund		
FCA Product Reference ("PRN"):	639413		
Investment Objective:	To provide income and the prospect of capital growth over the long term by investing mainly in multi-manager regulated collective investment schemes. The Fund will invest primarily in Fixed Income funds (at least 80%) while maintaining a low exposure to Equity funds. These investments will be diversified across a number of geographic areas including the United Kingdom and other international markets.		
Investment Policy:	<p>The Fund will invest mainly in both multi-manager Fixed Income funds and multi-manager Equity funds.</p> <p>The Fixed Income funds that are selected will aim to provide income and capital growth by investing primarily in investment grade bonds issued from a number of international markets and denominated in a variety of currencies. Non-sterling fixed income investments may be hedged back to sterling.</p> <p>The Equity funds that are selected will aim to provide capital growth by investing primarily in equity securities and will be chosen to provide a broad diversification by country, sector and companies.</p> <p>Derivatives may be used for efficient portfolio management purposes only.</p>		
Share Classes:	Class A gross income shares Class A gross accumulation shares Class P gross accumulation shares (see Note 1 below) Class P gross income shares (see Note 1 below) Class X gross accumulation shares (see Note 2 below)		
Minimum Initial Investment:	Class A share classes:	£1,000	
	Class P share class:	£100 (holders of Class A Shares only) £1,000 (investors other than holders of Class A Shares)	
	Class X share class:	£1,000,000	
Minimum Subsequent Investment:	Class A share classes:	£100	
	Class P share class:	£100	
	Class X share class:	£500,000	
Minimum Holding:	Class A share classes:	£500 (see Note 3 below)	
	Class P share class:	£500 (see Note 3 below)	
	Class X share class:	£500,000	
Preliminary Charge:	Class A share classes:	3.5% (current)	7% (maximum)
	Class P share class:	0% (current)	7% (maximum)
	Class X share class:	0% (current)	7% (maximum)
Annual Management Charge:	Class A share classes:	1.5% (current)	2.5% (maximum)
	Class P share class:	1.00% (current)	2% (maximum)
	Class X share class:	0.6% (current)	2.5% (maximum)

Fee for Switching into Fund	Class A share classes: 0.5% (current) 7% (maximum) Class P share class: 0% (current) 7% (maximum) Class X share class: 0% (current) 7% (maximum)
Interim Accounting Period(s):	1 May – 31 July 1 August – 31 October 1 November – 31 January
Income Allocation Date(s):	30 June (Annual) 30 September, 31 December, 31 March (Interim)
Historical Past Performance:	Details are set out in Appendix H
Additional Information:	The Fund invests principally in collective investment schemes established in EEA States.
Status of Fund for UK tax purposes	The Fund is currently a Bond fund for UK tax purposes and therefore any income paid or allocations made up will constitute an interest distribution.

- Note 1:** Class P share classes are not available to any person other than:-
- (a) a holder of Class A Shares in the Cautious Portfolio Fund who subscribes amounts to such Fund 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 in existence prior to 20 February 2017, 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; or
 - (b) a person who subscribes amounts to the Cautious Portfolio Fund 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; and (b) regular savings arrangements which commence on or after 20 February 2017, including any subsequent increases made to them, 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; or
 - (c) a person, not being a person of the type referred to in the preceding paragraphs (a) and (b), to whom the ACD at its entire discretion has decided that such Shares may be made available.

- Note 2:** Class X share classes are not available to any person other than:-
- (a) a company which is in the Group of companies consisting of the ultimate holding company of the ACD and each of the subsidiaries of that holding company; or
 - (b) a person, not being a company of the type referred to in the preceding paragraph (a), to whom the ACD at its entire discretion has determined that such Shares may be made available.

Note 3: This minimum holding may be satisfied by a Shareholder's cumulative holdings in Class A and P share classes.

Name:	Dynamic Income Portfolio
FCA Product Reference (“PRN”):	639420
Investment Objective:	To provide a high level of income whilst providing the potential for capital growth over the medium to long term by mainly investing in regulated collective investment schemes which are currently and/or which have been managed or operated within the Lloyds Banking Group. The Fund will invest in a combination of primarily UK Equity and Fixed Interest funds.
Important Note:	Aberdeen Asset Management PLC acquired Scottish Widows Investment Partnership Limited (SWIP) (previously a company within the Lloyds Banking Group) and its subsidiaries on 31 March 2014. It is intended that the Fund will continue to invest in those regulated collective investment schemes which had been managed or operated by entities which were within the Lloyds Banking Group immediately prior to the acquisition but which are now managed or operated by entities within the Aberdeen Asset Management Group.
Investment Policy:	<p>An equity fund may be selected if it has the aim of providing above average levels of income and/or capital growth. The equity funds selected will invest primarily in equities which have a broad diversification by country, sector and company. A Fixed Interest fund may be selected if it has the aim of providing high levels of income. The fixed interest funds selected will invest primarily in government and corporate bonds issued from a number of international markets and denominated in a variety of currencies. The Fund may also invest in other regulated collective investment schemes that are consistent with the Fund's objectives at the discretion of the ACD. Non-sterling fixed interest investments may be hedged back to sterling.</p> <p>Derivatives may be used for efficient portfolio management purposes only.</p>
Share Classes:	<p>Class A gross accumulation shares Class A gross income shares Class B gross accumulation shares (See Note 1 below) Class B gross income shares (See Note 1 below) Class P gross accumulation shares (See Note 2 below) Class P gross income shares (See Note 2 below)</p>
Minimum Initial Investment:	<p>Class A share classes: £1,000 Class B share classes: £100,000 Class P share classes: £100 (holders of Class A or Class B Shares only) £1,000 (investors other than holders of Class A or Class B Shares)</p>

Minimum Subsequent Investment:	Class A share classes: £100 Class B share classes: not applicable Class P share classes: £100
Minimum Holding:	Class A share classes: £500 (see Note 3 below) Class B share classes: £500 (see Note 3 below) Class P share classes: £500 (see Note 3 below)
Preliminary Charge:	Class A share classes: 5% (current) 7% (maximum) Class B share classes: 5% (current) 7% (maximum) Class P share classes: 0% (current) 7% (maximum)
Annual Management Charge:	Class A share classes: 1.25% (current) 2.5% (maximum) Class B share classes: 1.25% (current) 2.5% (maximum) Class P share classes: 0.75% (current) 2% (maximum)
Fee for Switching into Fund	Class A share classes: 0.5% (current) 7% (maximum) Class B share classes: 0.5% (current) 7% (maximum) Class P share classes: 0% (current) 7% (maximum)
Interim Accounting Period(s):	1 May to 31 July 1 August – 31 October 1 November – 31 January
Income Allocation Date(s):	30 June (Annual) 30 September, 31 December, 31 March (Interim)
Historical Past Performance:	Details are set out in Appendix H
Additional Information:	The Fund invests principally in collective investment schemes established in EEA States.
Status of Fund for UK tax purposes	The Fund is currently a Bond fund for UK tax purposes and therefore any income paid or allocations made will constitute an interest distribution.

- Note 1:** Class B share classes are not available to any person other than:-
- (a) a person who acquires Shares of this Class pursuant to the terms of any scheme of conversion, amalgamation or reconstruction of a unit trust but only to the extent that that person acquires such Shares pursuant to the terms of any such scheme; or
 - (b) a person, not being a person of the type referred to in the preceding paragraph (a), to whom the ACD at its entire discretion has decided that such Shares may be made available.

- Note 2:** Class P share classes are not available to any person other than:-
- (a) a holder of Class A Shares or Class B Shares in Dynamic Income Portfolio who subscribes amounts to such Fund 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; or
 - (b) a person who subscribes amounts to Dynamic Income Portfolio 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; and (b) regular savings arrangements which commence on or after 20 February 2017, including any subsequent increases made to them, 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; or
 - (c) a person, not being a person of the type referred to in the preceding paragraphs (a) and (b), to whom the ACD at its entire discretion has decided that such Shares may be made available.
- Note 3:** This minimum holding may be satisfied by a Shareholder's cumulative holdings in Class A, B and P share classes.

Name:	International Equity Tracker Fund		
FCA Product Reference (“PRN”):	639417		
Investment Objective:	To provide a total return based on the performance of a number of underlying international equity indices (as determined by the ACD from time to time), in proportions determined by reference to the country and regional weightings contained in the FTSE All-World ex UK Index (or such other published benchmark as the ACD considers appropriate from time to time) by investing in a portfolio primarily consisting of derivative instruments.		
Investment Policy:	<p>The Fund will invest in a portfolio of derivatives instruments.</p> <p>The Fund will normally invest in a combination of derivatives such as financial futures, currency forwards, warrants and other financial instruments (when permitted), cash or near cash instruments (including those in foreign currencies) and some other investments (particularly equities and units in other collective investment schemes). Various sampling techniques will be used to track the underlying country and regional equity markets. It is intended that the majority of derivatives used will be exchange traded but there may also be off-exchange derivatives.</p> <p>The ACD aims to run all positions on a fully covered basis but there may be periods when a proportion is uncovered (in accordance with the FCA Rules). The types of assets which will underlie the derivatives contracts will be cash, near cash and transferable securities.</p>		
Share Classes:	Class I gross accumulation shares Class X gross accumulation shares (See Note 1 below)		
Minimum Initial Investment:	Class I share class:	£1,000,000	
	Class X share class:	£1,000,000	
Minimum Subsequent Investment:	Class I share class:	£500,000	
	Class X share class:	£500,000	
Minimum Holding:	Class I share class:	£500,000	
	Class X share class:	£500,000	
Preliminary Charge:	Class I share class:	0.5% (current)	7% (maximum)
	Class X share class:	0% (current)	7% (maximum)
Annual Management Charge:	Class I share class:	0.5% (current)	2.5% (maximum)
	Class X share class:	0% (current)	2.5% (maximum)
Fee for Switching into Fund	Class I share class:	0% (current)	7% (maximum)
	Class X share class:	0% (current)	7% (maximum)
Interim Accounting Period(s):	1 May – 31 October		
Income Allocation Date(s):	30 June (Annual)		

31 December (Interim)

Historical Past Performance: Details are set out in Appendix H

Status of Fund for UK tax purposes The Fund is currently a Bond fund for UK tax purposes and therefore any income paid or allocations made will constitute an interest distribution.

Note 1: Class X share classes are not available to any person other than:-

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

Name:	Managed Income Portfolio		
FCA Product Reference (“PRN”):	639422		
Investment Objective:	The Fund aims to provide a high level of income by mainly investing in regulated collective investment schemes which are currently and/or which have been managed or operated within the Lloyds Banking Group. The Fund will primarily invest in fixed interest funds.		
Important Note:	Aberdeen Asset Management PLC acquired Scottish Widows Investment Partnership Limited (SWIP) (previously a company within the Lloyds Banking Group) and its subsidiaries on 31 March 2014. It is intended that the Fund will continue to invest in those regulated collective investment schemes which had been managed or operated by entities which were within the Lloyds Banking Group immediately prior to the acquisition but which are now managed or operated by entities within the Aberdeen Asset Management Group.		
Investment Policy:	This Fund will principally invest in funds which invest in UK government bonds and other sterling denominated fixed interest securities, to a lesser extent in overseas bonds and to a limited extent in UK equities. The Fund may also invest in other investments permitted by FCA Rules for this type of scheme that are consistent with the Fund’s objectives. Non-sterling investment may be hedged back to sterling.		
	Derivatives may be used for efficient portfolio management purposes only.		
Share Classes:	Class A gross income shares Class A gross accumulation shares Class P gross accumulation shares (See Note 1 below) Class P gross income shares (See Note 1 below)		
Minimum Initial Investment:	Class A share classes:	£1,000	
	Class P share classes:	£100 (holders of Class A Shares only) £1,000 (investors other than holders of Class A Shares)	
Minimum Subsequent Investment:	Class A share classes:	£100	
	Class P share classes:	£100	
Minimum Holding:	Class A share classes:	£500 (see Note 2 below)	
	Class P share classes:	£500 (see Note 2 below)	
Preliminary Charge:	Class A share classes:	3.5% (current)	7.0% (maximum)
	Class P share classes:	0% (current)	7.0% (maximum)
Annual Management Charge:	Class A share classes:	1.25% (current)	2.5% (maximum)
	Class P share classes:	0.75 (current)	2% (maximum)

Fee for Switching into Fund	Class A share classes: 0.5% (current) 7% (maximum) Class P share classes: 0% (current) 7% (maximum)
Interim Accounting Period(s):	1 May to 31 July 1 August – 31 October 1 November – 31 January
Income Allocation Date(s):	30 June (Annual) 30 September, 31 December, 31 March (Interim)
Historical Past Performance:	Details are set out in Appendix H.
Additional Information:	The Fund invests principally in collective investment schemes established in EEA States.
Status of Fund for UK tax purposes	The Fund is currently a Bond fund for UK tax purposes and therefore any income paid or allocations made will constitute an interest distribution.

- Note 1:** Class P share classes are not available to any person other than:-
- (a) a holder of Class A Shares in Managed Income Portfolio who subscribes amounts to such Fund 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 in existence prior to 20 February 2017, 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; or
 - (b) a person who subscribes amounts to Managed Income Portfolio 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; and (b) regular savings arrangements which commence on or after 20 February 2017, including any subsequent increases made to them, 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; or
 - (c) a person, not being a person of the type referred to in the preceding paragraphs (a) and (b), to whom the ACD at its entire discretion has decided that such Shares may be made available.

Note 2: This minimum holding may be satisfied by a Shareholder's cumulative holdings in Class A and P share classes.

Name:	Momentum Income Portfolio
FCA Product Reference (“PRN”):	639423
Investment Objective:	The Fund aims to provide a high level of income with some potential for growth by mainly investing in regulated collective investment schemes which are currently and/or which have been managed or operated within the Lloyds Banking Group. The Fund will primarily invest in fixed interest funds, with some exposure to equity funds.
Important Note:	Aberdeen Asset Management PLC acquired Scottish Widows Investment Partnership Limited (SWIP) (previously a company within the Lloyds Banking Group) and its subsidiaries on 31 March 2014. It is intended that the Fund will continue to invest in those regulated collective investment schemes which had been managed or operated by entities which were within the Lloyds Banking Group immediately prior to the acquisition but which are now managed or operated by entities within the Aberdeen Asset Management Group.
Investment Policy:	<p>This Fund will principally invest in funds which invest in UK government bonds and other sterling denominated fixed interest securities and to a lesser extent in overseas bonds and UK equities. The Fund may also invest in other investments permitted by FCA Rules for this type of scheme that are consistent with the Fund’s objectives. Non-sterling investment may be hedged back to sterling.</p> <p>Derivatives may be used for efficient portfolio management purposes only.</p>
Share Classes:	<p>Class A gross income shares Class A gross accumulation shares Class P gross accumulation shares (See Note 1 below) Class P gross income shares (See Note 1 below) Class U gross accumulation shares (See Note 2 below) Class V gross accumulation shares (See Note 2 below)*</p>
Minimum Initial Investment:	<p>Class A share classes: £1,000 Class P share classes: £100 (holders of Class A Shares only) £1,000 (investors other than holders of Class A Shares) Class U share classes: £20 Class V share classes: £20</p>
Minimum Subsequent Investment:	<p>Class A share classes: £100 Class P share classes: £100 Class U share classes: £20 Class V share classes: £20</p>
Minimum Holding:	<p>Class A share classes: £500 (see Note 3 below) Class P share classes: £500 (see Note 3 below)</p>

	Class U share classes:	£20	
	Class V share classes:	£20	
Preliminary Charge:	Class A share classes:	3.5% (current)	7.0% (maximum)
	Class P share classes:	0% (current)	7.0%(maximum)
	Class U share classes:	none	
	Class V share classes:	none	
Annual Management Charge:	Class A share classes:	1.25% (current)	2.5% (maximum)
	Class P share classes:	0.75 (current)	2% (maximum)
	Class U share classes:	1%	
	Class V share classes:	0.5%	
Fee for Switching into Fund	Class A share classes:	0.5% (current)	7% (maximum)
	Class P share classes:	0% (current)	7% (maximum)
	Class U share classes:	0%	
	Class V share classes:	0%	
Interim Accounting Period(s):	1 May to 31 July 1 August – 31 October 1 November – 31 January		
Income Allocation Date(s):	30 June (Annual) 30 September, 31 December, 31 March (Interim)		
Historical Past Performance:	Details are set out in Appendix H.		
Additional Information:	The Fund invests principally in collective investment schemes established in EEA States.		
Status of Fund for UK tax purposes	The Fund is currently a Bond fund for UK tax purposes and therefore any income paid or allocations made will constitute an interest distribution.		

- Note 1:** Class P share classes are not available to any person other than:-
- (a) a holder of Class A Shares in Momentum Income Portfolio who subscribes amounts to such Fund 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 in existence prior to 20 February 2017, 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; or
 - (b) a person who subscribes amounts to Momentum Income Portfolio 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; and (b) regular savings arrangements which commence on or after 20 February 2017, including any subsequent increases made to them, 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; or

- (c) a person, not being a person of the type referred to in the preceding paragraphs (a) and (b), to whom the ACD at its entire discretion has decided that such Shares may be made available.

Note 2:

Class U and Class V Share Class shares are not available to any person other than:-

- (a) a person who acquires those Shares via a stakeholder product launched pursuant to the Stakeholder Regulations; and
- (b) in the case of V shares, either (i) a person who acquires Shares of this Class pursuant to an Automatic Conversion of Class U Share Class shares in the same sub-fund or (ii) a person, not being a person of the type referred to in (i), to whom the ACD at its entire discretion has decided that such Shares may be made available.

Following the Automatic Conversion into Class V Shares all subsequent investments of the shareholder will be into Class V Share Class shares and not Class U Share Class shares notwithstanding it is less than ten years since the date of registration or the first contribution.

* not currently available.

Note 3:

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

Name:	Opportunities Portfolio Fund		
FCA Product Reference (“PRN”):	639414		
Investment Objective:	To provide long term capital growth by investing mainly in multi-manager regulated collective investment schemes. The Fund will invest primarily in Equity funds (at least 80%) while maintaining a low exposure to Fixed Income funds. These investments will be diversified across a number of geographic areas including the United Kingdom and other international markets.		
Investment Policy:	<p>The Fund will invest mainly in both multi-manager Equity funds and multi-manager Fixed Income funds.</p> <p>The Equity funds that are selected will aim to provide capital growth by investing primarily in equity securities and will be chosen to provide a broad diversification by country, sector and companies.</p> <p>The Fixed Income funds that are selected will aim to provide income and capital growth by investing primarily in investment grade bonds issued from a number of international markets and denominated in a variety of currencies. Non-sterling fixed income investments may be hedged back to sterling.</p> <p>Derivatives may be used for efficient portfolio management purposes only.</p>		
Share Classes:	<p>Class A net accumulation shares Class P net accumulation shares (see Note 1 below) Class X net accumulation shares (see Note 2 below)</p>		
Minimum Initial Investment:	Class A share class:	£1,000	
	Class P share class:	£100 (holders of Class A Shares only) £1,000 (investors other than holders of Class A Shares)	
	Class X share class:	£1,000,000	
Minimum Subsequent Investment:	Class A share class:	£100	
	Class P share class:	£100	
	Class X share class:	£500,000	
Minimum Holding:	Class A share class:	£500 (see Note 3 below)	
	Class P share class:	£500 (see Note 3 below)	
	Class X share class:	£500,000	
Preliminary Charge:	Class A share class:	5% (current)	7% (maximum)
	Class P share class:	0% (current)	7% (maximum)
	Class X share class:	0% (current)	7% (maximum)
Annual Management Charge:	Class A share class:	2% (current)	3% (maximum)
	Class P share class:	1.50% (current)	2.5% (maximum)
	Class X share class:	0.6% (current)	3% (maximum)
Fee for Switching into Fund	Class A share class:	0.5% (current)	7% (maximum)

	Class P share class:	0% (current)	7% (maximum)
	Class X share class:	0% (current)	7% (maximum)
Interim Accounting Period(s):	None		
Income Allocation Date(s):	30 June (Annual)		
Historical Past Performance:	Details are set out in Appendix H.		
Additional Information:	The Fund invests principally in collective investment schemes established in EEA States.		
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.		

- Note 1:** Class P share classes are not available to any person other than:-
- (a) a holder of Class A Shares in the Opportunities Portfolio Fund who subscribes amounts to such Fund 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; or
 - (b) a person who subscribes amounts to the Opportunities Portfolio Fund 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; and (b) regular savings arrangements which commence on or after 20 February 2017, including any subsequent increases made to them, 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; or
 - (c) a person, not being a person of the type referred to in the preceding paragraphs (a) and (b), to whom the ACD at its entire discretion has decided that such Shares may be made available.

- Note 2:** Class X share classes are not available to any person other than:-
- (a) a company which is in the Group of companies consisting of the ultimate holding company of the ACD and each of the subsidiaries of that holding company; or
 - (b) a person, not being a company of the type referred to in the preceding paragraph (a), to whom the ACD at its entire discretion has determined that such Shares may be made available.

- Note 3:** This minimum holding may be satisfied by a Shareholder's cumulative holdings in Class A and P share classes.

Name:	Progressive Portfolio Fund		
FCA Product Reference (“PRN”):	639415		
Investment Objective:	To provide long term capital growth by investing mainly in multi-manager regulated collective investment schemes. The Fund will invest mainly in Equity funds (up to a maximum of 85%) while maintaining a moderate exposure to Fixed Income funds. These investments will be diversified across a number of geographic areas including the United Kingdom and other international markets.		
Investment Policy:	<p>The Fund will invest mainly in both multi-manager Equity funds and multi-manager Fixed Income funds.</p> <p>The Equity funds that are selected will aim to provide capital growth by investing primarily in equity securities and will be chosen to provide a broad diversification by country, sector and companies.</p> <p>The Fixed Income funds that are selected will aim to provide income and capital growth by investing primarily in investment grade bonds issued from a number of international markets and denominated in a variety of currencies. Non-sterling fixed income investments may be hedged back to sterling.</p> <p>Derivatives may be used for efficient portfolio management purposes only.</p>		
Share Classes:	Class A net accumulation shares Class P net accumulation shares (see Note 1 below) Class X net accumulation shares (see Note 2 below)		
Minimum Initial Investment:	Class A share class:	£1,000	
	Class P share class:	£100 (holders of Class A Shares only) £1,000 (investors other than holders of Class A Shares)	
	Class X share class:	£1,000,000	
Minimum Subsequent Investment:	Class A share class:	£100	
	Class P share class:	£100	
	Class X share class:	£500,000	
Minimum Holding:	Class A share class:	£500 (see Note 3 below)	
	Class P share class:	£500 (see Note 3 below)	
	Class X share class:	£500,000	
Preliminary Charge:	Class A share class:	5% (current)	7% (maximum)
	Class P share class:	0% (current)	7% (maximum)
	Class X share class:	0% (current)	7% (maximum)
Annual Management Charge:	Class A share class:	2% (current)	3% (maximum)
	Class P share class:	1.50% (current)	2.5% (maximum)
	Class X share class:	0.6% (current)	3% (maximum)
Fee for Switching into Fund	Class A share class:	0.5% (current)	7% (maximum)

	Class P share class:	0% (current)	7% (maximum)
	Class X share class:	0% (current)	7% (maximum)
Interim Accounting Period(s):	None		
Income Allocation Date(s):	30 June (Annual)		
Historical Past Performance:	Details are set out in Appendix H.		
Additional Information:	The Fund invests principally in collective investment schemes established in EEA States.		
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.		

- Note 1:** Class P share classes are not available to any person other than:-
- (a) a holder of Class A Shares in the Progressive Portfolio Fund who subscribes amounts to such Fund 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; or
 - (b) a person who subscribes amounts to the Progressive Portfolio Fund 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; and (b) regular savings arrangements which commence on or after 20 February 2017, including any subsequent increases made to them, 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; or
 - (c) a person, not being a person of the type referred to in the preceding paragraphs (a) and (b), to whom the ACD at its entire discretion has decided that such Shares may be made available

- Note 2:** Class X share classes are not available to any person other than:-
- (a) a company which is in the Group of companies consisting of the ultimate holding company of the ACD and each of the subsidiaries of that holding company; or
 - (b) a person, not being a company of the type referred to in the preceding paragraph (a), to whom the ACD at its entire discretion has determined that such Shares may be made available.

- Note 3:** This minimum holding may be satisfied by a Shareholder's cumulative holdings in Class A and P share classes.

Name:	Stockmarket Growth Portfolio	
FCA Product Reference (“PRN”):	639419	
Investment Objective:	To provide long term capital growth from opportunities around the world by mainly investing in regulated collective investment schemes which are currently and/or which have been managed or operated within the Lloyds Banking Group. The Fund will invest in primarily Equity funds.	
Important Note:	Aberdeen Asset Management PLC acquired Scottish Widows Investment Partnership Limited (SWIP) (previously a company within the Lloyds Banking Group) and its subsidiaries on 31 March 2014. It is intended that the Fund will continue to invest in those regulated collective investment schemes which had been managed or operated by entities which were within the Lloyds Banking Group immediately prior to the acquisition but which are now managed or operated by entities within the Aberdeen Asset Management Group.	
Investment Policy:	<p>The Fund will primarily invest in Equity funds. The Equity funds selected will aim to provide capital growth by investing primarily in equities which have a broad diversification by country, sector and company. The Fund may also invest in other regulated collective investment schemes that are consistent with the Fund's objective at the discretion of the ACD.</p> <p>Derivatives may be used for efficient portfolio management purposes only.</p>	
Share Classes:	Class A net accumulation shares Class P net accumulation shares (see Note 1 below)	
Minimum Initial Investment:	Class A share class:	£1,000
	Class P share class:	£100 (holders of Class A Shares only) £1,000 (investors other than holders of Class A Shares)
Minimum Subsequent Investment:	Class A share class:	£100
	Class P share class:	£100
Minimum Holding:	Class A share class:	£500 (see Note 2 below)
	Class P share class:	£500 (see Note 2 below)
Preliminary Charge:	Class A share class:	5% (current) 7% (maximum)
	Class P share class:	0% (current) 7% (maximum)
Annual Management Charge:	Class A share class:	1.5% (current) 2.5% (maximum)
	Class P share class:	1.00% (current) 2% (maximum)
Fee for Switching into Fund	Class A share class:	0.5% (current) 7% (maximum)
	Class P share class:	0% (current) 7% (maximum)

Interim Accounting Period(s):	None
Income Allocation Date(s):	30 June (Annual)
Historical Past Performance:	Details are set out in Appendix H.
Additional Information:	The Fund invests principally in collective investment schemes established in EEA States.
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.

- Note 1:** Class P share classes are not available to any person other than:-
- (a) a holder of Class A Shares in Stockmarket Growth Portfolio who subscribes amounts to such Fund 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; or
 - (b) a person who subscribes amounts to Stockmarket Growth Portfolio 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; and (b) regular savings arrangements which commence on or after 20 February 2017, including any subsequent increases made to them, 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; or
 - (c) a person, not being a person of the type referred to in the preceding paragraphs (a) and (b), to whom the ACD at its entire discretion has decided that such Shares may be made available.

Note 2: This minimum holding may be satisfied by a Shareholder's cumulative holdings in Class A and P share classes.

Name:	Strategic Growth Portfolio
FCA Product Reference (“PRN”):	639418
Investment Objective:	To provide long term capital growth through investment in a balanced portfolio of mainly regulated collective investment schemes which are currently and/or which have been managed or operated within the Lloyds Banking Group investing in UK equities, overseas equities and fixed interest securities.
Important Note:	Aberdeen Asset Management PLC acquired Scottish Widows Investment Partnership Limited (SWIP) (previously a company within the Lloyds Banking Group) and its subsidiaries on 31 March 2014. It is intended that the Fund will continue to invest in those regulated collective investment schemes which had been managed or operated by entities which were within the Lloyds Banking Group immediately prior to the acquisition but which are now managed or operated by entities within the Aberdeen Asset Management Group.
Investment Policy:	<p>The Equity funds selected will aim to provide capital growth by investing primarily in equities which have a broad diversification by country, sector and company. The Fixed Interest funds selected will aim to provide diversification to the portfolio by investing primarily in government bonds issued from a number of international markets and denominated in a variety of currencies. The Fund may also invest in other regulated collective investment schemes that are consistent with the Fund's objective at the discretion of the ACD. Non-sterling fixed income investments may be hedged back to sterling.</p> <p>Derivatives may be used for efficient portfolio management purposes only.</p>
Share Classes:	<p>Class A net accumulation shares Class B net accumulation shares (See Note 1 below) Class P net accumulation shares (See Note 2 below)</p>
Minimum Initial Investment:	<p>Class A share class: £1,000 Class B share class: £100,000 Class P share class: £100 (holders of Class A or Class B Shares only) £1,000 (investors other than holders of Class A or Class B Shares)</p>
Minimum Subsequent Investment:	<p>Class A share classes: £100 Class B share classes: not applicable Class P share classes: £100</p>
Minimum Holding:	<p>Class A share classes: £500 (see Note 3 below) Class B share classes: £500 (see Note 3 below) Class P share classes: £500 (see Note 3 below)</p>

Preliminary Charge:	Class A share classes: 5% (current)	7% (maximum)
	Class B share classes: 5% (current)	7% (maximum)
	Class P share classes: 0% (current)	7% (maximum)
Annual Management Charge:	Class A share class: 1.5% (current)	2.5% (maximum)
	Class B share class: 1.25% (current)	2.5% (maximum)
	Class P share classes: 1.00% (current)	2% (maximum)
Fee for Switching into Fund	Class A share classes: 0.5% (current)	7% (maximum)
	Class B share classes: 0.5% (current)	7% (maximum)
	Class P share classes: 0% (current)	7% (maximum)
Interim Accounting Period(s):	None	
Income Allocation Date(s):	30 June (Annual)	
Historical Past Performance:	Details are set out in Appendix H.	
Additional Information:	The Fund invests principally in collective investment schemes established in EEA States.	
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.	

Note 1: Class B share classes are not available to any person other than:-

- (a) a person who acquires Shares of this Class pursuant to the terms of any scheme of conversion, amalgamation or reconstruction of a unit trust but only to the extent that that person acquires such Shares pursuant to the terms of any such scheme; or
- (b) a person, not being a person of the type referred to in the preceding paragraph (a), to whom the ACD at its entire discretion has decided that such Shares may be made available.

Note 2: Class P share classes are not available to any person other than:-

- (a) a holder of Class A Shares or Class B Shares in Strategic Growth Portfolio who subscribes amounts to such Fund 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; or
- (b) a person who subscribes amounts to Strategic Growth Portfolio 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; and (b) regular savings arrangements which commence on or after 20 February 2017, including any subsequent increases made to them, 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; or

- (c) a person, not being a person of the type referred to in the preceding paragraphs (a) and (b), to whom the ACD at its entire discretion has decided that such Shares may be made available.

Note 3: This minimum holding may be satisfied by a Shareholder's cumulative holdings in Class A, B and P share classes.

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 AIFM of the following authorised investment companies with variable capital:

Scottish Widows Investment Solutions Funds ICVC
Scottish Widows Income and Growth 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 (%)
Cash Fund	0.05	-0.05
International Equity Tracker	0.01	-0.01
Strategic Growth Fund	0.00	0.00
Stockmarket Growth Fund	0.00	0.00
Dynamic Income Fund	0.01	-0.01
Cautious Portfolio	0.00	0.00
Balanced Portfolio	0.00	0.00
Progressive Portfolio	0.00	0.00
Opportunities Portfolio	0.00	0.00
Momentum Income Portfolio	0.01	-0.01
Managed Income Portfolio	0.01	-0.01
Balanced Growth Fund	0.01	-0.01

Rates correct as at 31 August 2016.

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

Ronald Frank Cameron Taylor

Directorships of:

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

Gavin MacNeill Stewart

Directorships of:

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

Appendix H

Historical Past Performance

	% Growth	% Growth	% Growth	% Growth	% Growth	
	31/05/2015	31/05/2014	31/05/2013	31/05/2012	31/05/2011	
	To	To	To	To	To	
	31/05/2016	31/05/2015	31/05/2014	31/05/2013	31/05/2012	
Fund Name						
Scottish Widows Balanced Growth Portfolio A Acc	-3.58	6.49	2.75	17.13	-2.65	
Scottish Widows Balanced Portfolio A Acc	-1.47	9.42	4.33	17.73	-0.61	
Scottish Widows Cash A Acc	-0.06	-0.11	-0.17	-0.06	0.23	
Scottish Widows Cautious Portfolio A Acc	0.7	6.3	2.66	9.43	3.67	
Scottish Widows Dynamic Income A Acc	-2.79	5.76	2.78	14.84	0.06	
Scottish Widows International Equity Tracker I Acc	-1.28	16.03	3.96	31.36	-9.13	
Scottish Widows Managed Income Portfolio A Acc	-0.45	3.99	1.69	8.19	4.35	
Scottish Widows Momentum Income Portfolio A Acc	-1.58	5.12	2.29	10.89	2.99	
Scottish Widows Opportunities Portfolio A Acc	-4.02	13.41	6.87	27.77	-5.09	
Scottish Widows Progressive Portfolio A Acc	-3.12	11.96	5.84	24.27	-3.65	
Scottish Widows Stockmarket Growth Portfolio A Acc	-5.99	8.86	4.81	27.24	-8.57	
Scottish Widows Strategic Growth Portfolio A Acc	-5.04	8.67	4.35	22.72	-5.59	

Source: Financial Express Limited on a single pricing basis, income reinvested where available, net of annual fees, in Sterling quoted Net of UK Income tax.

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 please contact 0845 300 2244, or write to the ACD at 15 Dalkeith Road, Edinburgh, EH16 5WL.

**SCOTTISH WIDOWS MANAGED
INVESTMENT FUNDS ICVC**

Prospectus 18 May 2017