

# **RBS INVESTMENT FUNDS ICVC**

An Investment Company with Variable Capital  
Registered in England and Wales under Registered Number IC237, FCA Product Reference  
("PRN"): 407795

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## **PROSPECTUS**

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**This Prospectus is dated, and is valid as at 10 July 2017**

Prepared in accordance with the Open Ended Investment Companies Regulations 2001 and  
the Collective Investment Scheme Sourcebook

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## INTRODUCTION

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**This document is important: If you are in any doubt as to the meaning of any information in this Prospectus or as to whether an investment in any sub-fund of the RBS Investment Funds ICVC is suitable for you, you should consult your financial adviser.**

This is the Prospectus of RBS Investment Funds ICVC (the *Company*) valid as at 10 July 2017. This Prospectus has been prepared by RBS Collective Investment Funds Limited in accordance with the rules contained in the Financial Conduct Authority's Collective Investment Schemes Sourcebook (*COLL Sourcebook*) which forms part of the Financial Conduct Authority Handbook.

The *Company* is incorporated in England and Wales as an investment company with variable capital (*ICVC*) under registered number IC000237. The *Shareholders* are not liable for the debts of the *Company*.

RBS Collective Investment Funds Limited (*RBSCIFL*) is the Authorised Corporate Director of the *Company*. *RBSCIFL* is responsible for the information contained in this Prospectus. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts, does not contain any untrue or misleading statement and does not omit anything likely to affect the import of such information or any matters required by the *COLL Sourcebook* *RBSCIFL* accepts responsibility accordingly.

This document has been approved by *RBSCIFL* for the purpose of section 21 of The Financial Services and Markets Act 2000 and copies of this Prospectus have been sent to the Financial Conduct Authority and to the *Depositary*, J.P. Morgan Europe Limited.

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.

The *Company* has not been nor will be registered under the United States Investment Company Act of 1940, as amended.

Investment in the shares which are described in this Prospectus by or on behalf of US Persons is not permitted.

**This Prospectus is based on information, law and practice as at the date of this Prospectus. This Prospectus will be updated in accordance with the requirements of the Financial Conduct Authority and will cease to have any effect on the publication by the *Company* of a subsequent Prospectus. Potential investors should check with *RBSCIFL* that this is the most recently published Prospectus. Neither the *Company* nor *RBSCIFL* will be bound by or accept liability either in respect of an application for *Shares* made on the basis of this Prospectus or in respect of any reliance on this Prospectus once it has been superseded.**

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 the Prospectus 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 matters stated in this Prospectus or the affairs of the *Company* have remained unchanged since the date of this Prospectus.

The *Company* is marketable to all retail investors.

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

The distribution of this document and the offering or sale of *Shares* in certain jurisdictions may be restricted by law. No action has been taken by the *Company* or *RBSCIFL* that would permit an offer of *Shares* or possession or distribution of this document in any jurisdiction where action for that purpose is required, other than in the United Kingdom. This document does not constitute an offer of or an invitation to purchase or subscribe for any *Shares* by anyone in any jurisdiction in which such offer or invitation is not authorised or to any person to whom it is unlawful to make such offer or invitation. Persons into whose possession this document comes are required by the *Company* and *RBSCIFL* to inform themselves about and to observe any such restrictions.

The provisions of the *Company's Instrument of Incorporation* are binding on each of its *Shareholders* (who are taken to have notice of them).

References to times in this Prospectus are to London times unless otherwise stated.

On request of a holder of *Shares* in the *Company*, the *ACD* will provide information supplementary to this Prospectus relating to the quantitative limits applying in the risk management of the *Company* and the methods used in relation thereto, and any recent development of the risk and yields of the main categories of investment of the *Company*.

Information relating to the past performance of the *Funds* can be found in Appendix V.

**The *Company* may enter into transactions in Derivatives.**

For all *Funds* such transactions will be used for the purposes historically known as *Efficient Portfolio Management* as described on page 92 of this Prospectus. The use of *Derivatives* does not otherwise directly form part of the investment objective of any *Fund*.

For details of the use of *Derivatives* by the *Funds* and their risks please see below, in particular under “Risks” on page 41 and in “Appendix I - Investment Objectives, Investment Policies and Share Classes”.

## Definitions

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In this Prospectus the words and expressions set out in the first column below, which are generally applicable, shall have the meanings set opposite them unless the context requires otherwise. Words and expressions contained in this Prospectus but not defined herein shall have the same meanings as in the *Act* or the *Regulations* (as defined below) unless the contrary is stated.

**ACD** means the authorised corporate director of the *Company*, RBS Collective Investment Funds Limited (*RBSCIFL*);

**Accumulation Shares** means *Shares* (of whatever *Class*) issued from time to time in respect of a *Fund* and in respect of which income allocated thereto is credited periodically to capital pursuant to the *COLL Sourcebook* and the *Instrument of Incorporation*;

**Act** means the Financial Services and Markets Act 2000 as amended and/or re-enacted from time to time;

**Administrator** means the administrator of the *Company*, Aviva Life Services UK Limited, who sub-delegates this responsibility to International Financial Data Services (UK) Limited;

**Approved Bank** means

- (a) if the account is opened at a branch in the United Kingdom;
  - (i) the Bank of England; or
  - (ii) the central bank of a member state of the *OECD*; or
  - (iii) a bank or a building society which offers, unrestrictedly, banking services; or
  - (iv) a bank which is supervised by the central bank or other banking regulator of a member state of the *OECD*; or
- (b) if the account is opened elsewhere:
  - (i) a bank in (a); or
  - (ii) a credit institution established in an *EEA State* other than in the United Kingdom and duly authorised by the relevant Home State Regulator; or
  - (iii) a bank which is regulated in the Isle of Man or the Channel Islands; or

(c) a bank supervised by the South African Reserve Bank; or  
(d) any other bank which meets the requirements under the *FCA Handbook*

|                         |  |
|-------------------------|--|
| <b>Associate</b>        | as defined in the glossary of the <i>FCA Handbook</i> ;  |
| <b>Auditors</b>         | means the auditors of the <i>Company</i> , Ernst & Young LLP;  |
| <b>Business Day</b>     | means Monday to Friday, and other days at the <i>ACD</i> 's discretion, except for (unless the <i>ACD</i> otherwise decides) a bank holiday in England and Wales or any other day on which the London Stock Exchange is closed;  |
| <b>Class or Classes</b> | is as defined in the <i>Instrument of Incorporation</i> (being, in summary, in relation to <i>Shares</i> , according to the context, all the <i>Shares</i> relating to a single <i>Fund</i> or a particular Class or Classes of <i>Share</i> relating to a single <i>Fund</i> ); |
| <b>COLL</b>             | refers to the relevant chapter or rule in the <i>COLL Sourcebook</i> ;   |
| <b>COLL Sourcebook</b>  | means the Collective Investment Schemes Sourcebook issued by the <i>FCA</i> as part of the <i>FCA Handbook</i> , as amended or re-issued from time to time, which shall, for the avoidance of doubt, not include the guidance or evidential requirements it contains;            |
| <b>Company</b>          | means RBS Investment Funds ICVC;   |
| <b>Conversion</b>       | means the conversion of <i>Shares</i> in one <i>Class</i> in a <i>Fund</i> to <i>Shares</i> of another <i>Class</i> in the same <i>Fund</i> and " <i>Convert</i> " and " <i>Converted</i> " shall be construed accordingly; *  |
|                         | *Please note that at present none of the <i>Funds</i> offer more than one <i>Class</i> of <i>Shares</i> and therefore <i>Conversions</i> are currently not possible.   |
| <b>Custodian</b>        | means the custodian of the <i>Scheme Property</i> , from time to time, currently being JPMorgan Chase Bank;  |
| <b>Dealing Day</b>      | means any <i>Business Day</i> ;  |

|   |   |
|---|---|
| <b><i>Depository</i></b>                  | means the depository of the <i>Company</i> , from time to time, currently being J.P. Morgan Europe Limited;   |
| <b><i>Derivatives</i></b>                 | means a financial instrument whose value is dependent on the value of an underlying asset such as a future, option or contract for differences;   |
| <b><i>EEA State</i></b>                   | means a member state of the European Union and any other state which is within the European Economic Area, as defined in the glossary to the <i>FCA Handbook</i> ;  |
| <b><i>Eligible Institution</i></b>        | means one of certain eligible institutions as defined in the glossary to the <i>FCA Handbook</i> ;  |
| <b><i>FCA</i></b>                         | means the Financial Conduct Authority and any successor(s) to it;   |
| <b><i>FCA Handbook</i></b>                | means the <i>FCA Handbook</i> of Rules and Guidance as amended or replaced from time to time;   |
| <b><i>Fund or Funds</i></b>               | means any (or all) of the sub-funds of the <i>Company</i> ;   |
| <b><i>ICVC</i></b>                        | means an investment company with variable capital which may also be referred to as an open-ended investment company (OEIC);   |
| <b><i>Initial Charge</i></b>              | means a charge imposed by the <i>ACD</i> on the purchase of <i>Shares</i> by an investor. It is calculated as a percentage of the gross amount tendered for investment;   |
| <b><i>Income Shares</i></b>               | means <i>Shares</i> (of whatever <i>Class</i> ) issued from time to time in respect of a <i>Fund</i> and in respect of which income is distributed periodically to <i>Shareholders</i> in accordance with the <i>COLL Sourcebook</i> and the <i>Instrument of Incorporation</i> ; |
| <b><i>Instrument of Incorporation</i></b> | means the instrument of incorporation of the <i>Company</i> as amended from time to time;   |



|                                     |   |
|-------------------------------------|---|
| <b>Investment Funds Legislation</b> | means the <i>UCITS V Directive</i> , <i>UCITS V Level 2</i> and the <i>UCITS Law</i> ;  |
| <b>Investment Manager</b>           | means Aviva Investors Global Services Limited;  |
| <b>Investor Protection Fee</b>      | means a dilution levy or dilution adjustment made in accordance with the <i>COLL Sourcebook</i> ;   |
| <b>IOSCO</b>                        | means the International Organisation of Securities Commissions;   |
| <b>Larger Denomination Share</b>    | has the meaning given in the <i>OEIC Regulations</i> . <i>Shares</i> are available in larger and smaller denominations with the <i>Smaller Denomination Share</i> representing a defined proportion of a larger denomination share; |
| <b>Net Asset Value or NAV</b>       | means the value of the <i>Scheme Property</i> of the <i>Company</i> or <i>Fund</i> less the liabilities of the <i>Company</i> or <i>Fund</i> as calculated in accordance with the <i>Instrument of Incorporation</i> ;              |
| <b>OECD</b>                         | means the Organisation for Economic Co-operation and Development;   |
| <b>OEIC Regulations</b>             | means the Open-Ended Investment Companies Regulations 2001 (SI 2001 No.1228) as amended or re-enacted from time to time;  |
| <b>PRA</b>                          | means the Prudential Regulation Authority and any successor(s) to it;   |
| <b>RBSG</b>                         | means The Royal Bank of Scotland Group plc;   |
| <b>Register</b>                     | means the register of <i>Shareholders</i> maintained by the <i>Registrar</i> in accordance with the <i>OEIC Regulations</i> ;   |
| <b>Registrar</b>                    | means the registrar of the <i>Company</i> , Aviva Life Services UK Limited who sub-delegates this responsibility to International Financial Data Services (UK) Limited;   |
| <b>Regulations</b>                  | means the <i>OEIC Regulations</i> and the <i>COLL Sourcebook</i> ;  |
| <b>Scheme Property</b>              | means the property of the <i>Company</i> or of any <i>Fund</i> as appropriate required under the <i>COLL Sourcebook</i> to be given for safe-keeping to the <i>Depositary</i> ;   |

|                                   |   |
|-----------------------------------|---|
| <b>Share or Shares</b>            | means a share or shares in a <i>Fund</i> (including <i>Larger Denomination Shares</i> and <i>Smaller Denomination Shares</i> );   |
| <b>Shareholder</b>                | means a holder of <i>Shares</i> ;   |
| <b>Smaller Denomination Share</b> | means one thousandth of a <i>Larger Denomination Share</i> ;  |
| <b>State</b>                      | means a state of the United States of America;  |
| <b>Switch</b>                     | means the exchange of <i>Shares</i> of one <i>Fund</i> for <i>Shares</i> of another <i>Fund</i> and " <i>Switching</i> " and " <i>Switched</i> " shall be construed accordingly;  |
| <b>UCITS Directive</b>            | means the Council Directive of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (No 2009/65/EC), as amended or re-enacted from time to time; |
| <b>UCITS V Directive</b>          | means the Undertakings for Collective Investment in Transferable Securities Directive 2014/91/EU;   |
| <b>UCITS V Level 2</b>            | means the Commission Delegated Regulation (EU) of 17 December 2015 supplementing the <i>UCITS Directive</i> with regard to obligations of depositaries;   |
| <b>UCITS Law</b>                  | means any United Kingdom legislation and the <i>FCA Handbook</i> enacted or introduced to transpose or otherwise effect EU law as it relates to UCITS as appropriate;   |
| <b>US</b>                         | the United States of America (including any <i>States</i> thereof and the District of Columbia), its territories, possessions and all other areas subject to its jurisdiction;  |
| <b>US Person</b>                  | unless otherwise determined by the <i>ACD</i> :<br><br>(i) a resident of the <i>US</i> ;<br><br>(ii) a partnership, limited liability company, corporation or other entity organised in or under the laws of the <i>US</i> or any <i>State</i> 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;

***Valuation Point***

means the point, whether on a periodic basis or for a particular valuation, at which the *ACD* carries out a valuation of the *Scheme*

*Property* for the purposes of determining the price at which *Shares* of a *Class* in any *Fund* may be issued, cancelled or redeemed as described in the 'Valuation' section on page 31; and

**VAT**

means value added tax.

## Company Details

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### General

The *Company* is authorised by the *FCA*. It was authorised with effect from 21 May 2003.

Head Office : 24-25 St Andrew Square, Edinburgh, EH2 1AF

Address for Services : The Head Office is the address in the United Kingdom for service on the *Company* of notices or other documents required or authorised to be served on the *Company*

Base Currency : The base currency of the *Company* and the *Funds* is pounds sterling

Share Capital : Maximum: £100,000,000,000  
: Minimum: £100

*Shares* in the *Company* and the *Funds* have no par value. The share capital of the *Company* will at all times equal the sum of the *Net Asset Values* of each of the *Funds*. *Shares* in the *Company* are not listed on any investment exchange.

*Shareholders* are not liable for the debts of the *Company*.

## Directory

|                               |   |
|-------------------------------|---|
| The Company                   | RBS Investment Funds ICVC<br>24-25 St Andrew Square<br>Edinburgh<br>EH2 1AF   |
| Authorised Corporate Director | RBS Collective Investment Funds Limited<br>24-25 St Andrew Square<br>Edinburgh<br>EH2 1AF   |
| Investment Manager            | Aviva Investors Global Services Limited<br>St Helens<br>1, Undershaft<br>London<br>EC3P 3DQ   |
| Administrator and Registrar   | Aviva Life Services UK Limited has delegated this responsibility to International Financial Data Services (UK) Limited at:<br><br>IFDS House<br>St Nicholas Lane<br>Basildon<br>Essex<br>SS15 5FS |
| Depository                    | J.P. Morgan Europe Limited<br>25 Bank Street<br>Canary Wharf<br>London<br>E14 5JP   |
| Custodian                     | JPMorgan Chase Bank N.A.<br>25 Bank Street<br>Canary Wharf<br>London<br>E14 5JP   |
| Auditors                      | Ernst & Young LLP<br>10 George Street<br>Edinburgh<br>EH2 2DZ   |

# The Constitution of the Company and the Funds

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## The Company

The *Company* is a UCITS Scheme operating under the *COLL Sourcebook* and is constituted as an “umbrella company” under the *Regulations*, which means that the *Company* issues *Shares* linked to different *Funds*.

## The Funds

Each *Fund* is invested in accordance with the investment objective and investment policy applicable to that *Fund* and as if it were a separate “UCITS Scheme” for the purposes of the *COLL Sourcebook*. For investment purposes the assets of each *Fund* will be treated as separate from those of every other *Fund*. The *Funds* set out below are those currently available:

| Fund Name                 |
|---------------------------|
| Balanced Fund             |
| Equity Income Fund        |
| Extra Income Fund         |
| Growth Fund               |
| High Yield Fund           |
| International Growth Fund |

Details of these *Funds*, including their investment objectives and policies, can be found in Appendix I.

## Additional Funds

Further additional *Funds* may be established in the future by the *ACD* from time to time with the approval of the *FCA* and the agreement of the *Depositary*.

## **Allocation of Assets and Liabilities**

Each *Fund* represents a segregated portfolio of assets, which is attributable to the *Class* or *Classes* of *Shares* issued in respect of that *Fund*. The assets of a *Fund* belong exclusively to that *Fund* and shall not be used to discharge (directly or indirectly) the liabilities of, or claims against, any other person or body, including the *Company*, or any other *Fund* and shall not be available for any such purpose.

Each *Fund* will be charged with the liabilities, expenses, costs and charges of the *Company* attributable to that *Fund* and within a *Fund*, 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* and otherwise shall be allocated between *Classes* by the *ACD* in a manner which is fair to *Shareholders* generally. They will normally be allocated to all *Classes* pro rata to the value of the net assets of the relevant *Classes*.

Any assets, liabilities, expenses, costs or charges not attributable to a particular *Fund* may be allocated by the *ACD* in a manner which is fair to the *Shareholders* generally. They will normally be allocated to all *Funds* pro rata to the value of the net assets of the relevant *Funds*.

## **Changes to the Company or the Funds**

Where any changes are proposed to be made to the *Company* or a *Fund* the *ACD* will assess whether the change is fundamental, significant or notifiable in accordance with *COLL* 4.3. If the change is regarded as fundamental, *Shareholder* approval will be required. If the change is regarded as significant, 60 days' prior written notice will be given to *Shareholders*. If the change is regarded as notifiable, *Shareholders* will receive suitable notice of the change.



## Shares

The *Company* may issue several *Classes* of *Share* in respect of each *Fund*. Share classes may be distinguished on the basis of different criteria which may include their minimum subscription, minimum holding and annual management charge. Access to certain share classes may also be restricted. The share classes currently available along with the details of subscription, holding criteria and restrictions on availability (if any) are listed below:

| Class           | Minima and Restrictions   |
|-----------------|---|
| <i>Class 1:</i> | <ul style="list-style-type: none"><li>• Minimum initial subscription £1,000,000</li><li>• Minimum additional subscription £250</li><li>• Minimum redemption £500</li><li>• Minimum holding £500</li></ul> |

The *ACD* has the discretion to apply lower minima than those listed above and may waive these from time to time.

The details of annual management charges are to be found in the section headed 'Fees and Expenses' on page 55. As a result of differences in annual management charges for different *Share Classes*, monies may be deducted from *Classes* of the same *Fund* in unequal proportions. In these circumstances the proportionate interests of the *Classes* will be adjusted accordingly (for an explanation of proportionate interests please refer to the section headed 'Proportionate entitlements' on page 38).

Net *Income Shares* and/or net *Accumulation Shares* may be made available within each *Class*. Gross *Income Shares* and gross *Accumulation Shares* in each *Fund* may also be issued but are not currently offered.

The types of *Shares* presently available in each *Fund* are set out in the details of the relevant *Funds* in Appendix I.

Further *Classes* of *Share* may be established from time to time by the *ACD* with the approval of the *FCA* and the agreement of the *Depositary*. On the introduction of any new *Fund* or *Class*, either a revised Prospectus or a supplemental Prospectus will be prepared setting out the relevant details of each *Fund* or *Class*.

## Conversion and Switching

*Shareholders* are entitled (subject to certain restrictions) to *Convert* all or part of their *Shares* in a *Class* for *Shares* in 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* (but in either case not in any other authorised fund of which the *ACD* is the authorised corporate director or authorised fund manager). At present none of the *Funds* offer more than one *Class* of *Shares* and therefore *Conversions* are currently not possible. Details of these *Conversion* and *Switching* facilities and the restrictions are set out in the section headed 'Conversions and Switching' on page 22.

## Income and Accumulation Shares

Holders of *Income Shares* will receive distributions. Each allocation of income made in respect of any *Fund* at a time when more than one *Class* is in issue will be done by reference to the relevant *Shareholders'* proportionate interests in the *Scheme Property* of the *Fund* in question. *Shareholders* can choose to have their distribution of income paid direct to their bank or building society current account. Alternatively, *Shareholders* may choose to have their income distributions automatically reinvested, to purchase further *Shares* of the same *Class* and *Fund* at the prevailing *Net Asset Value* without attracting an *Initial Charge*. For regular savings plans invested in *Income Shares* the income distribution is automatically reinvested in *Shares* of the same *Class* and *Fund* unless this supplements a lump sum investment on which income payment has been selected.

Holders of *Accumulation Shares* do not receive payments of income. Any income arising in respect of an *Accumulation Share* is automatically accumulated and is reflected in the price of each *Accumulation Share*. No *Initial Charge* is levied on this accumulation.

Tax vouchers for both *Income Shares* and *Accumulation Shares* will be issued in respect of distributions made and tax accounted for.

Where both *Income Shares* and *Accumulation Shares* are in existence in relation to a *Fund*, the relevant *Shareholders'* proportionate interests in the *Scheme Property* of the *Fund* represented by each *Accumulation Share* increases as income is accumulated. Further, in these circumstances, the income of the *Fund* is allocated between *Income Shares* and *Accumulation Shares* according to the relevant *Shareholders'* proportionate interests in the *Scheme Property* of the *Fund* represented by the *Accumulation Shares* and *Income Shares* in existence at the end of the relevant accounting period.

## Dealing in Shares

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The *ACD's* and *Administrator* and *Registrar's* offices are open from at least 9am until at least 5pm on each *Dealing Day*. All dealing and correspondence with investors shall take place in English and all deals in *Shares* are governed by the laws of England and Wales.

### Pricing

The *Company* deals on the basis of "single pricing". This has the effect that subject to the *Initial Charge* and the *Investor Protection Fee* (for further information see the section headed 'Dealing Charges' on page 23) both the issue and the redemption price of a *Share* at a particular *Valuation Point* will be the same.

The price per *Share* at which *Shares* may be bought or sold is the *Net Asset Value* of its *Class* (calculated at the relevant *Valuation Point*) divided by the number of *Shares* of that *Class* in issue. In addition the *ACD* reserves the right to make an *Initial Charge* on *Shares* purchased.

In the case of each of the *Funds* for both purchases and sales, an *Investor Protection Fee* may be imposed as a separate element in addition to the price.

There is no current intention to impose a redemption charge in respect of *Class 1 Shares*.

The *Company* deals on a forward pricing basis (and not on the basis of published prices). A forward price is the price calculated at the next *Valuation Point* after the sale or purchase is deemed to be accepted by the *ACD* (for details of the *Valuation Point* see "Valuation" at page 31).

The *ACD* does not accept responsibility for the accuracy of the prices published in or the non-publication of prices by newspapers for reasons beyond the control of the *ACD*.

The prices of *Shares* will be available on the Financial Times website at <http://www.ft.com/markets/uk> and the Bank websites at <http://fundprices.rbs.co.uk> and <http://fundprices.natwest.com>.

The prices of *Shares* are also available by contacting the *ACD* by telephone on 0345 300 2585.

## Buying Shares

Applications to purchase *Shares* can be made by telephoning the *ACD* on 0345 300 2585\* (subject to subsequent completion of an application/registration form for administrative and verification purposes) or by sending a completed application form to the *Administrator*. Application forms are available from the *ACD* by writing to the *Administrator* or telephoning the *ACD*. The *ACD* may at its discretion introduce further methods in the future. The *ACD* may in the future introduce an electronic trading system which will enable investors to buy and sell *Shares* using the internet but at present the *ACD* will only accept written and telephone instructions to deal.

***\*Calls may be recorded for monitoring or training purposes***

For all *Funds* applications for *Shares* received and accepted by 5pm on the *Business Day* before a *Dealing Day* will be dealt with at the price calculated as at the *Valuation Point* for that *Dealing Day*. Applications received and accepted after those respective times will be dealt with at the price calculated as at the *Valuation Point* for the following *Dealing Day*. For all *Funds* if payment is being made by direct debit, applications for *Shares* will be dealt with at the price calculated as at the *Valuation Point* on the day of collection if that day is a *Dealing Day*, or if not the first *Dealing Day* thereafter.

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

Any subscription 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. A *Smaller Denomination Share* is equivalent to one thousandth of a *Larger Denomination Share*.

Applications for purchase will not be acknowledged but a contract note will be issued by the end of the *Business Day* following the relevant *Dealing Day*, together with, where appropriate, a notice of the applicant's right to cancel. The contract note will give details of the *Shares* purchased and the price used.

Once shares have been purchased, the *ACD* will enter the name of the investor on the register. Payment for the shares is due and payable to the *ACD* in settlement of the purchase on the relevant Fund's "Settlement Date" (as detailed below). Until payment has been passed on by the *ACD* to the Depositary, an investor will not have an irrevocable right of ownership in the shares. Where an investor applies to invest in a Fund, the *ACD* will hold the money

received in advance of the Settlement Date on trust for the investor as client money in a segregated client money account with any recognised bank or banks that the ACD may from time to time select until the Settlement Date. No interest will be paid on money held in these client money bank accounts. In the unlikely event that the ACD were to become insolvent between the purchase of shares and the Settlement Date, the money received from an investor would be protected by the FCA's client money rules. In this situation, an investor may not receive the shares allocated to them pending settlement; the shares may be cancelled. On an insolvency of the ACD in these circumstances the investor's right would be to the return of the money, which would be pooled with other client money.

An applicant has the right to cancel his application to buy *Shares* at any time during (the 30 days after the date on which he receives a cancellation notice from the *ACD*. If an applicant decides to cancel the contract, and the value of the investment has fallen at the time the *ACD* receives the completed cancellation notice, he will not receive a full refund as an amount equal to any fall in value will be deducted from the sum originally invested. The determination of any shortfall will be based upon the price of the *Fund* at the next *Dealing Day* following the *ACD*'s receipt of the completed cancellation notice.

If payment has not already been made settlement of the full purchase price and any related fees and expenses is due immediately. The *ACD*, at its discretion, may delay issuing the *Shares* until payment is received. If settlement is not made within a reasonable period, the *ACD* has the right to cancel any *Shares* issued in respect of the application.

*Share* certificates will not be issued in respect of registered *Shares*. Ownership of *Shares* will be evidenced by an entry on the *Register of Shareholders*. Statements covering periodic distributions on *Shares* will show the number of *Shares* held by the recipient. Individual statements of a *Shareholder's* (or in the case of joint holdings, the first named holder's) *Shares* will also be issued at any time on request by the registered holder.

The *Company* has power to issue bearer shares but there are no present plans to do so.

### **Regular Savings Plan**

The *ACD* operates a regular savings plan for *Class 1 Shares* in all *Funds* subject normally to a minimum monthly subscription of £50 in any one *Fund*. Contract notes for the purchase of *Shares* will not be issued to *Shareholders* investing through a regular savings plan.

### **Selling Shares**

A *Shareholder* wishing to sell *Shares* should contact the *ACD* by telephone on 0345 300 2585\* or in writing. Instructions to sell are irrevocable. The *ACD* may, at its discretion, introduce further methods in the future. The *ACD* may in the future introduce an electronic

trading system which will enable investors to buy and sell *Shares* using the internet but at present the *ACD* will only accept written and telephone instructions to deal.

***\*Calls may be recorded for monitoring or training purposes***

Every *Shareholder* is entitled on any *Business Day* to request that the *Company* redeem his *Shares* and the *Company* will be required to redeem them in accordance with the procedures set out below.

For all *Funds* redemption requests received and accepted by the *ACD* by 5pm on the *Business Day* before a *Dealing Day* will be dealt with at the price calculated as at the *Valuation Point* for that *Dealing Day*. All requests received and accepted after those respective times will be dealt with at the price calculated as at the *Valuation Point* for the following *Dealing Day*.

If the redemption would leave a residual holding of less than the minimum holding the *ACD* has discretion to require redemption of the entire holding.

A contract note giving details of the number and price of *Shares* sold will be sent to the selling *Shareholder* (the first named in the case of joint holders) together (if sufficient written instructions have not already been given) with a form of renunciation for completion and execution by the *Shareholder* (and in the case of joint holders, by all the joint holders) no later than the end of the *Business Day* following the *Valuation Point* by reference to which the redemption price is determined. The redemption monies will be paid within four *Business Days* of the later of

1. the receipt by the *ACD* of the form of renunciation (or other sufficient written instructions) duly signed by all the relevant *Shareholders* and completed as to the appropriate number of *Shares*, together with any other appropriate evidence of title, and
2. the *Valuation Point* following receipt by the *ACD* of the request to redeem.

However where money is owing on the earlier sale of the *Shares* to be redeemed and has not been received and cleared by the time the redemption proceeds would otherwise be payable, then the redemption proceeds for those *Shares* will not be sent until such time as the initial money has been received and cleared.

**Minimum Redemption**

Part of a *Shareholder's* holding may be sold but the *ACD* reserves the right to refuse a redemption request if the value of the *Shares* of any *Fund* to be redeemed is less than the minimum redemption amounts stated on page 16.

Additionally the *ACD* reserves the right to refuse a redemption request for part of a *Shareholder's* holding if the value of the remaining holding would fall below the minimum holding in a *Fund* or *Share Class* as set out on page 16.

## Conversion and Switching

Subject to the qualifications below and to the relevant minimum holding restrictions of the *Shareholder*, a *Shareholder* may at any time *Switch* or *Convert* (as appropriate) all or some of his *Shares* of one *Class* or *Fund* ("**Original Shares**") for the appropriate number of *Shares* of another *Class* or *Fund* ("**New Shares**"). The number of *New Shares* issued is determined by the following formula:

$$N = \frac{O \times (CP \times ER)}{SP}$$

Where:

N is the number of *New Shares* to be issued;

O is the number of *Original Shares* to be exchanged;

CP is the price at which one *Share* of the old *Class* can be redeemed at the applicable *Valuation Point*;

ER is 1 (for same currency *Shares*) and

SP is the price at which a *New Share* in the new *Class* can be purchased at the applicable *Valuation Point*.

Each number referred to in the definition of N or O shall be expressed to the third decimal place and rounded down thereto in the case of N, so that the integer represents the number of *Larger Denomination Shares* and the decimal when multiplied by 1,000 represents the number of *Smaller Denomination Shares*.

If a *Shareholder* wishes to *Convert* or *Switch Shares* he should apply to the *ACD* in the same manner as for a sale as set out on page 20.

The *ACD* may at its discretion impose restrictions as to the *Classes* for which exchange may be effected and charge a fee on the *Switching* of *Shares* between *Funds*, up to the then prevailing *Initial Charge* relating to the *Class* into which the *Shares* are being *Converted* or

*Switched*. These fees are set out on page 56 below. There is no fee on a *Conversion* between *Classes* of the same *Fund* but the *ACD* may, subject to the *COLL Sourcebook* introduce such a fee at its discretion. Additionally, circumstances may arise on *Switching* when the *ACD* imposes an *Investor Protection Fee*, the details of which are described on page 24.

If the *Conversion* or *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 in the *Fund* concerned, the *ACD* may, if it thinks fit, *Convert* the whole of the applicant's holding of *Original Shares* to *New Shares* or refuse to effect any *Conversion* or *Switch* of the *Original Shares*. No *Conversion* or *Switch* will be made during any period when the right of *Shareholders* to require the redemption of their *Shares* is suspended. The general provisions on procedures relating to redemption will apply equally to a *Conversion* or *Switch*. *Conversion* and *Switching* requests received after a *Valuation Point* will be held over until the next day that is a *Dealing Day* in the relevant *Fund* or *Funds*.

The *ACD* may adjust the number of *New Shares* to be issued to reflect the imposition of any conversion or switching fee together with any other charges or levies in respect of the issue or sale of the *New Shares* or repurchase or cancellation of the *Original Shares* as may be permitted by the *COLL Sourcebook* and the *Instrument of Incorporation*.

A *Shareholder* who *Switches* or *Converts* as appropriate *Shares* in one *Fund* or *Class* for *Shares* in any other *Fund* or *Class* will not be given a right to withdraw from or cancel the transaction.

**It should be noted that a *Switch of Shares* in one *Fund* for *Shares* in any other *Fund* is treated as a realisation and will, for persons subject to United Kingdom taxation, be a disposal for the purposes of capital gains taxation. A *Conversion 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 United Kingdom tax purposes.**

## **Dealing Charges**

### **Initial Charge**

A charge may be imposed by the *ACD* on the purchase of *Shares* by an investor. The charges for all *Funds* and *Classes* are set out in the section headed 'Fees and Expenses' on page 55.



**Switching Fee**

On the *Switching of Shares* of a *Fund* for *Shares* in another *Fund* the *ACD* has the power under the *Instrument of Incorporation* to charge a switching fee. The switching fee which is payable to the *ACD* will not exceed an amount equal to the then prevailing *Initial Charge* for the *Class* into which the *Shares* are being *Switched*. There is no charge for *Converting Shares* in one *Class* of a *Fund* for *Shares* in another *Class* of the same *Fund*.

**Investor Protection Fee (dilution levy)**

The basis of valuation of the *Company's* or a *Fund's* investments for the purpose of calculating the issue and redemption price of *Shares* as stipulated in the *COLL Sourcebook* and the *Instrument of Incorporation* is summarised in the section headed 'Valuation' on page 31.

When the *Company* purchases or sells investments it will usually incur a cost in the form of dealing charges and any spread between the buying and selling prices of the investment. This cost is not reflected in the sale or purchase price paid by an investor in *Shares* in the *Funds*. In some circumstances (for example, large volumes of deals in a *Fund's Shares* require the *Company* to purchase or sell *Fund* investments) this may have an adverse effect on the *Shareholders'* interests in the *Fund*. This effect is referred to as "dilution". To mitigate the effects of dilution, the *ACD* has the power to charge a dilution levy or a dilution adjustment (both referred to in this Prospectus as an "*Investor Protection Fee*") on the purchase and/or sale of *Shares*.

For each of the *Funds*, the *Investor Protection Fee* is a dilution levy which, if charged, is added to the purchase cost or deducted from the sale proceeds, as appropriate, and paid into and becomes a part of the *Scheme Property* of the relevant *Fund*.

The *ACD* does not benefit from any *Investor Protection Fee*.

The necessity to charge an *Investor Protection Fee* will depend on the volume of purchases or sales.

For all *Funds*, the *ACD* may charge a discretionary *Investor Protection Fee* on the purchase and sale of *Shares* if, in its opinion, the existing *Shareholders* (for purchases) or remaining *Shareholders* (for sales) might otherwise be adversely affected. On the occasions where an *Investor Protection Fee* is not applied, there may be an adverse impact on the total assets of the *Fund*, which may constrain capital growth of the *Fund*.

The *Investor Protection Fee* may be charged for all *Funds* in the following circumstances:

1. on a *Fund* experiencing large levels of net purchases (i.e. purchases less sales) relative to its size. In these circumstances the *Investor Protection Fee* may be applied in particular to individual deals exceeding £25,000;
2. on a *Fund* experiencing large levels of net sales (i.e. sales less purchases) relative to its size. In these circumstances the *Investor Protection Fee* may be applied in particular to individual deals exceeding £25,000;
3. on "large deals". For these purposes a large deal is defined as a deal exceeding £250,000 or 2 per cent of the *Net Asset Value* of the *Fund* whichever is the lesser;
4. where a *Shareholder* redeems or *Switches* a shareholding within 30 days of its purchase;
5. where a *Fund* is an index tracking fund or is otherwise passively managed;
6. in any other case where the *ACD* is of the opinion that the interests of existing/continuing *Shareholders* and/or potential *Shareholders* require the imposition of the *Investor Protection Fee*.

The *Investor Protection Fee* for each *Fund*, if any, will be determined by the *ACD* by reference to the costs of dealing in the underlying investments of the relevant *Fund*, including any dealing spreads, commission and transfer taxes.

It is not possible to accurately predict whether an *Investor Protection Fee* will occur at any point in time. Consequently it is not possible to accurately predict how frequently the *ACD* will need to impose an *Investor Protection Fee*. However, based on future projections, it is envisaged that, the *ACD* would not expect to apply an *Investor Protection Fee*, in respect of any particular *Fund* on a frequent basis in the future. The amount of any *Investor Protection Fee* may vary over time and may differ for each *Fund*. Should the *ACD* apply an *Investor Protection Fee* it is estimated that the *ACD* would apply a rate of between 0.2% and 0.4% for the *Funds*.

During 2012 and 2013 an *Investor Protection Fee* was not levied. During 2014 an *Investor Protection Fee* of £561.45 was levied in respect of The Growth Fund which represented 0.22%. Since 2014, no *Investor Protection Fees* have been levied.

This paragraph will continue to be revised from time to time.

## Transfers

*Shareholders* are entitled to transfer their *Shares* to another person or body. All transfers must be in writing in the form of an instrument of transfer approved by the *ACD* for this purpose. Completed instruments of transfer must be returned to the *Administrator*. For further details, please see page 62.

## Compulsory Transfer and Redemption

*Shares* in the *Company* may not be acquired or held by any person in circumstances ("**Relevant Circumstances**"):

1. which constitute 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 any 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 any investment manager, incurring any liability to taxation or suffering any other legal, regulatory, pecuniary or other adverse consequence (including a requirement to register under any securities or investment or similar laws or governmental regulation of any country or territory) which it or they might not otherwise have suffered; or
4. where such person is a *US Person* or is holding *Shares* for the account or benefit of a *US Person*.

For the purposes of the "relevant circumstances" above, "investment manager" shall include any person appointed by the *ACD* and/or *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 this connection, the *ACD* has discretion to reject any application for the purchase, sale *Conversion* or *Switch* of *Shares*.

If it comes to the notice of the *ACD* that any *Shares* ("**Affected Shares**") have been acquired or are being held directly or beneficially in any of these *Relevant Circumstances* or by virtue of which the *Shareholder* or *Shareholders* in question is/are not qualified to hold such *Shares* or if it reasonably believes this to be the case, the *ACD* may give notice to the holder(s) of the *Affected Shares* requiring the transfer of such *Shares* to a person who is qualified or entitled to own them or that a request in writing be given for the redemption or cancellation of such *Shares* in accordance with the *COLL Sourcebook*. If any person upon whom such a notice is served does not within thirty days after the date of such notice transfer his *Affected Shares* to a person qualified to own them or establish to the satisfaction of the *ACD* (whose judgement shall be final and binding) that he and any person on whose behalf he holds the *Affected Shares* are qualified and entitled to own them, he shall be deemed upon the expiration of the thirty day period to have given a request in writing for the redemption or cancellation (at the discretion of the *ACD*) of all the *Affected Shares* pursuant to the *COLL Sourcebook*.

A person who becomes aware that he has acquired or holds *Affected Shares* in any of these *Relevant Circumstances*, or by virtue of which he is not qualified to hold such *Affected Shares*, must immediately, unless he has already received a notice as set out above, either transfer all his *Affected Shares* to a person qualified to own them or give a request in writing for the redemption of all their *Affected Shares* pursuant to the *COLL Sourcebook*.

## **In Specie Redemptions**

If a *Shareholder* requests the redemption or cancellation of *Shares* the *ACD* may arrange that in place of payment of the price of the *Shares* in cash, the *Company* cancels the *Shares* and transfers *Scheme Property* (or, if required by the *Shareholder*, the net proceeds of sale of relevant *Scheme Property*), to the *Shareholder*. This only applies however if the *Shares* represent over 5% (or such smaller percentage as the *ACD* may decide) of the *Fund's* value.

Before the proceeds of the cancellation of *Shares* become payable, the *ACD* must give written notice to the *Shareholder* that the *Scheme Property* or the proceeds of sale of *Scheme Property* will be transferred to that *Shareholder*.

The *Scheme Property* to be transferred will be selected by the *ACD* in consultation with the *Depositary*. They must ensure that the selection is made with a view to achieving no more advantage or disadvantage to the *Shareholder* requesting cancellation/redemption than to the continuing *Shareholders* of the *Fund* concerned.

## **In Specie Applications**

The *ACD* may at its discretion and by special arrangement, agree to 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 determine that the *Company's* acquisition of those assets in exchange for the *Shares* is not likely to result in any material prejudice to the interests of *Shareholders* or potential *Shareholders* of the *Fund* concerned.

The *ACD* will ensure that the beneficial interest in the assets concerned is transferred to or for the account of the *Company* with effect from the date of issue of the *Shares*.

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

## **General**

To satisfy a request for the issue, redemption or exchange of *Shares*, the *ACD* will normally sell *Shares* to or repurchase *Shares* from *Shareholders* to meet such requests.

The *ACD* is entitled to hold *Shares* for its own account and to satisfy requests for sale from its own holding. Although the *ACD* dealing in *Shares* held by it, for its own account, is not with the intention of making a profit there will be occasions when such dealings do give rise to a profit.

In some circumstances and in accordance with the *COLL Sourcebook*, the *Company* will issue or cancel *Shares* to meet such requests. The *COLL Sourcebook* requires the *ACD* to procure the issue or cancellation by the *Company* where necessary to meet any obligation to sell or redeem *Shares*.

The *ACD* is under no obligation to account to the *Company* or to *Shareholders* for any profit it makes on the issue, reissue or cancellation of *Shares* and will not do so.

The amount to be charged by or paid to the *ACD* for the sale of a *Share* by the *ACD* will not be more than the price of a *Share* notified to the *Depositary* at the relevant *Valuation Point* plus any *Initial Charge* and/or *Investor Protection Fee* which may apply.

The amount to be paid by the *ACD* for the redemption of a *Share* will not be less than the price of a *Share* notified to the *Depositary* at the relevant *Valuation Point* minus any *Investor Protection Fee* which may apply.

## **Market timing**

The *ACD* may refuse to accept a subscription or a *Switch* between *Funds* if it has reasonable grounds, in relation to the *Shareholder* concerned, for refusing to accept a subscription or a *Switch* from them. In particular, the *ACD* may exercise this discretion if it believes the *Shareholder* has been or intends to engage in market timing activities. The *ACD* does not condone or engage in market timing activities.

## **Money Laundering**

Under current legislation in the United Kingdom to prevent money laundering, persons conducting investment business are responsible for compliance with anti-money laundering regulations. So as to ensure compliance appropriate identification enquiries may be made in certain circumstances whether in respect of the sale, purchase or transfer of *Shares* or distribution of income. Until satisfactory proof of identity is provided, the *ACD* reserves the right to refuse to carry out the transaction requested or pay income on *Shares* to the investor.

The *ACD* may use an external agency to verify the identity of *Shareholders* or potential *Shareholders* for anti-money laundering purposes.

## **Suspension of Dealings in the Company**

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

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

The *ACD* will notify *Shareholders* of the suspension as soon as practicable after suspension commences and will inform *Shareholders* how to obtain information which the *ACD* will publish to keep *Shareholders* appropriately informed about the suspension including, if known, its likely duration.

During a suspension the obligations relating to the issue, sale, cancellation and redemption of *Shares* contained in Chapter 6 of the *COLL Sourcebook* will cease to apply and the *ACD* must

comply with as many of the obligations relating to valuation of assets as is practicable in the light of the suspension.

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

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

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

## Valuation

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The price of a *Share* is calculated by reference to the *Net Asset Value* of the *Fund* and *Class* to which it relates.

The *Valuation Point* for each of the *Funds* is at 12 noon on each *Dealing Day*.

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

### Calculation of the Net Asset Value

The value of the *Scheme Property* of a *Fund* is the value of its assets less the value of its liabilities determined in accordance with the following provisions:

1. All the *Scheme Property* (including receivables) is to be included, subject to the following provisions.
2. Property which is not cash (or other assets dealt with in paragraphs 3 and 4 below) shall be valued as follows and the prices used shall (subject as follows) 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, at a value which in the opinion of the *ACD* is fair and reasonable;
  - (b) exchange-traded *Derivative* contracts:
    - (i) if a single price for buying and selling the exchange-traded *Derivative* contract is quoted, at that price; or
    - (ii) if separate buying and selling prices are quoted, at the average of the two prices



- (c) over-the-counter *Derivative* contracts shall be valued in accordance with the method of valuation as shall have been agreed between the *ACD* and the *Depositary*;
  - (d) any other investment:
    - (i) if a single price for buying and selling the security is quoted, at that price; or
    - (ii) if separate buying and selling prices are quoted, at the average of the two prices; or
    - (iii) if, in the opinion of the *ACD*, the price obtained is unreliable or no recent traded price is available or if the most recent price available does not reflect the *ACD*'s best estimate of the value, at a value which in the opinion of the *ACD* is fair and reasonable; and
  - (e) property other than that described in (a),(b) (c) and (d) 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.
  4. In determining the value of the *Scheme Property*, all instructions given to issue or cancel *Shares* shall be assumed (unless the contrary is shown) to have been carried out and any cash payment made or received and all consequential action required by the *Regulations*, the *Instrument of Incorporation* or this Prospectus shall be assumed (unless the contrary has been shown) to have been taken.
  5. Subject to paragraphs 6 and 7 below, agreements for the unconditional sale or purchase of property 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 made shortly before the valuation takes place and, in the opinion of the *ACD*, their omission shall not materially affect the final net asset amount.
  6. Futures or contracts for differences which are not yet due to be performed and unexpired and unexercised written or purchased options shall not be included under paragraph 5.

7. All agreements are to be included under paragraph 5 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 capital 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) including (as applicable and without limitation) capital gains tax, income tax, corporation tax, *VAT* and stamp duty.
9. Deduct an estimated amount for any liabilities payable out of the *Scheme Property* and any tax thereon 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. Currencies or values in currencies other than the base currency 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*.
14. Add a sum representing any interest or any income accrued due or deemed to have accrued but not received and any stamp duty reserve tax provision anticipated to be received.

## **Fair Value Pricing**

The *ACD* may, in its absolute discretion and in circumstances where:

1. it believes that no reliable price for the property in question exists; or
2. such price, if it does exist, does not reflect the *ACD's* best estimate of the value of such property,

value the *Scheme Property* or any part of *Scheme Property* at a price which, in its opinion, reflects a fair and reasonable price for that property ("**Fair Value Pricing**").

The *ACD* is permitted to use *Fair Value Pricing* in specific circumstances and pursuant to processes and methodologies that it must have notified to the *Depositary*. Examples of the circumstances in which the *ACD* might consider using *Fair Value Pricing* where a *Fund's Valuation Point* is set during the time when markets in which its portfolio is invested are closed for trading include:

1. market movements above a pre-set trigger level in other correlated open markets;
2. war, natural disaster, terrorism;
3. government actions or political instability;
4. currency realignment or devaluation;
5. changes in interest rates;
6. corporate activity;
7. credit default or distress; or
8. litigation.

Even if a *Fund's Valuation Point* is set during the time other markets are open for trading, other scenarios might include:

1. failure of a pricing provider;
2. closure or failure of a market;
3. volatile or "fast" markets;
4. markets closed over national holidays;
5. stale or unreliable prices;
6. listings suspensions or de-listings.

## Income and Distributions

### Accounting Periods

The annual accounting period of the *Company* ends each year on 28 February (the accounting reference date). For all *Funds*, except the Growth Fund and the International Growth Fund, there is also a half yearly interim accounting period that ends each year on 31 August. The High Yield Fund, the Equity Income Fund and the Extra Income Fund also have quarterly interim accounting periods that end each year on 31 May and 30 November.

### Distributions

The *Funds* will make dividend distributions or accumulations except where over 60% of the *Fund's* property has been invested throughout the distribution period in interest-bearing investments, in which case it will make interest distributions or accumulations. Currently, the Extra Income Fund and High Yield Fund pay interest distributions. Other *Funds* pay dividend distributions.

Distributions to the holders of *Income Shares* will be made within two months of the end of each accounting period, the income allocation date, as follows:

| Accounting Period Ends | Income Distribution Paid on or before |
|------------------------|---------------------------------------|
| 28 February            | 30 April                              |
| 31 May*                | 31 July*                              |
| 31 August              | 31 October                            |
| 30 November*           | 31 January*                           |

\**Funds* with quarterly interim accounting periods only.

The amount available for distribution in any accounting period is calculated in accordance with the allocation procedure set out below. Distributions may be made by cheque or bank transfer or such other means of payment as may be permitted by the *ACD* in each year.

The *ACD* will give the *Depositary* timely instructions to enable the *Depositary* to distribute the income allocated to *Income Shares* of each *Class* in a *Fund* among their holders in proportion to the numbers of such *Shares* held, or treated as held, by them respectively at the end of the relevant accounting period. The *Depositary* will pay the distribution to the holders of *Income Shares* in accordance with the instructions.

The amount of income allocated to the holders of a *Class of Accumulation Shares* will become part of the capital property (as defined in the *COLL Sourcebook*) attributable to those *Shares* as at the end of the relevant accounting period. Where other *Classes* are in issue in respect of a *Fund* during that accounting period, the interests of the holders of *Accumulation Shares* in the amount of income allocated to a particular *Class* must be satisfied by an adjustment, as at the end of the period, in the proportion of the value of the *Scheme Property* to which the price of an *Accumulation Share* in the relevant *Class* is related. The adjustment must be such as will ensure that the price per *Share* of an *Accumulation Share* of the relevant *Class* remains unchanged despite the transfer of income to the capital property of the *Company*.

If a distribution of income remains unclaimed for a period of six years after it has become due, it will be forfeited and will revert to the relevant *Class* of the relevant *Fund*. If the *Class* is no longer in existence, the income will revert to the relevant *Fund*, if that *Fund* is itself in existence, or if not, to the *Company*.

### **Allocations of income**

On or before each income allocation date (being the date that is two months after the end of the relevant accounting period), the *ACD* will calculate the amount available for income allocation for the immediately preceding accounting period, will inform the *Depositary* of that amount and allocate the available income to the *Shares* of each *Class* in issue in respect of that *Fund*, taking account of the procedure set out below and the proportionate amounts of available income attributable to each *Class* in a *Fund*.

The income available for distribution or accumulation in relation to a *Fund* is determined in accordance with the *COLL Sourcebook* and the *Instrument of Incorporation*.

As at the end of each accounting period, the *ACD* will arrange for the *Depositary* to transfer the amount of income allocated to *Income Shares* (being in essence the amount available for income allocation calculated in accordance with *COLL*) to the distribution account.

The income available for allocation and distribution in respect of each share class of each *Fund* is calculated by taking the aggregate of the income property received or receivable for the account of such share class of each *Fund* in respect of that period, deducting charges and expenses paid or payable by such share class of each *Fund* out of the income in respect of the period, adding the *ACD's* best estimate of any relief from tax on such charges and expenses, and making other adjustments which the *ACD* considers appropriate in relation to both income and expenses (including taxation), after consulting the *Auditors* when required to do so, in relation to:

1. taxation;
2. potential income which is unlikely to be received until 12 months after the income allocation date;
3. income which should not be accounted for on an accrual basis because of lack of information about how it accrues;
4. any transfers between the income account and capital account that are required in relation to:
  - (i) stock dividends;
  - (ii) *Income Equalisation* included in income allocations from other collective investment schemes;
  - (iii) the allocation of payments in accordance with *COLL 6.7.10R* (Allocation of payments to income or capital);
  - (iv) taxation; and
  - (v) the aggregated amount of income property included in *Shares* issued and *Shares* cancelled during the period.
5. any other adjustments or any reimbursement of set-up costs.

An allocation of income (whether annual or interim) to be made in respect of each *Share* issued by the *Company* or sold by the *ACD* during the accounting period in respect of which that income allocation is made will be of the same amount as the allocation to be made in respect of the other *Shares* of the same *Class* in a *Fund*.

Each allocation of income made at a time when more than one *Class* is in issue in a *Fund* shall be done by reference to the relevant *Shareholders'* proportionate interests in the property of that *Fund*. These will be ascertained by reference to the "**Proportion Account**" for each such *Class* described in the section entitled "Proportionate entitlements" on page 38.

### **Income equalisation**

The following provisions shall apply in respect of *Shares* in issue in respect of each of the *Funds*.

An allocation of income (whether annual interim or otherwise) to be made in respect of each *Share* to which this clause applies issued by the *Company* or sold by the *ACD* during the accounting period in respect of which that income allocation is made shall be of the same amount as the allocation to be made in respect of the other *Shares* in the same *Class* in issue in respect of the

same *Fund* but shall include a capital sum ("**Income Equalisation**") representing the *ACD*'s best estimate of the amount of income included in the price of that *Share*.

The amount of *Income Equalisation* in respect of any *Share* shall be either:

1. the actual amount of income included in the issue price of that *Share*; or
2. an amount arrived at by taking the aggregate of the amounts of income included in the price in respect of *Shares* of that *Class* issued or sold in the annual or interim accounting period in question and dividing that aggregate amount by the number of such *Shares* and applying the resultant average to each of the *Shares* in question.

### **Proportionate entitlements**

The proportionate interests of each *Class* in the assets and income of the *Fund* shall be calculated as follows:

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

There will be credited to a *Proportion Account*:

1. the subscription money (excluding any *Initial Charges* or *Investor Protection Fee*) for the issue of *Shares* of the relevant *Class*;
2. 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*;
3. that *Class's Proportion* of the *Fund's* income received and receivable; and
4. any notional tax benefit as referred to below.

There will be debited to a *Proportion Account*:

1. the redemption payment for the cancellation of *Shares* of the relevant *Class*;
2. 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*;

3. all distributions of income (including any equalisation) made to *Shareholders* of that *Class*;
4. all costs, charges and expenses incurred solely in respect of that *Class*;
5. that *Class's* share 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;
6. that *Class's Proportion* of the costs, charges and expenses incurred in respect of or attributable to the *Fund* as a whole; and
7. any notional tax liability as referred to below.

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 that *Class*. The allocation will be carried out by the *ACD* after consultation with the *Auditors*.

Where a *Class* is denominated in a currency which is not the base currency of the *Fund*, the balance of the *Proportion Account* shall be translated into the base currency of the *Fund* in order to ascertain the proportions of all *Classes*. Translations between currencies shall be at a rate that is not likely to result in any material prejudice to the interests of *Shareholders* of any *Class*.

The *Proportion Accounts* are:

1. memorandum accounts maintained for the purpose of calculating proportions. They do not represent debts from the *Company* to *Shareholders* or the other way round;
2. maintained such that each credit and debit to a *Proportion Account* is 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.

The proportionate interest of a *Class* in the assets and income of a *Fund* is its "proportion".

The *Company* may adopt a method of calculating the amount of income to be allocated between the *Shares* in issue in respect of any *Fund* which is different to the method set out above provided that the *ACD* is satisfied that such method is fair to *Shareholders* and that it is reasonable to adopt such method in the given circumstances.



## **EU Savings Directive**

The European Directive on the Taxation of Savings and associated UK legislation came into effect on 1<sup>st</sup> July 2005. The purpose of the directive is to combat tax evasion by individuals on cross border savings income.

Under current UK legislation, persons responsible for making savings income payments in the course of business must collate and report information regarding the payment of savings income to residents in certain other countries, which will be exchanged automatically with the tax authorities in those countries.

So as to ensure compliance appropriate identification enquiries may be made in certain circumstances in order to fulfil these reporting requirements.

## Risks

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**The following are important warnings and potential investors should consider the following risk factors before investing in the *Company*.**

The following risk factors may relate to a particular *Fund* as that *Fund* invests directly in a particular asset or because that *Fund* invests in a collective investment scheme which in turn invests in a particular asset.

### General

There are inherent risks in investment markets. Security prices are subject to market fluctuations and can move irrationally and be unpredictably affected by many and various factors including political and economic events and rumours. 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 go down as well as up and investors may receive less than the original amount invested.

There is no guarantee that the investment objectives of any *Fund* will be achieved. **It is important to note that past performance is not necessarily a guide to future returns or growth.** *Shares* should be viewed as a medium to long term investment.

Investors will need to decide whether or not an investment vehicle of this nature is appropriate for their requirements.

The High Yield Fund may hold sub-investment grade bonds which have a lower credit rating than other bonds and therefore carry a higher risk of default, in which case the capital value of your investment may be reduced.

### Over-the-Counter (OTC) Derivatives Counterparty and Market Risk

Each of the *Funds* may hold *OTC Derivatives*. The fair value of these *Derivatives* will take into account the possibility they may have limited liquidity and higher price volatility. In addition, a *Fund* holding *OTC Derivatives* will be exposed to credit risk on counterparties with whom the transactions are made and will bear the risk of settlement default with those counterparties. To help protect against this risk collateral will be used to reduce exposure to counterparties in respect of *OTC Derivatives*. Collateral will be deposited with an independent custodian and can be called upon if the counterparty fails to deliver.

### Currency Exchange Rates

Investments for some *Funds* will be made in assets denominated in various currencies and exchange rate movements may affect the value of an investment favourably or unfavourably, separately from the gains or losses otherwise made by such investments.

## **Effect of Initial Charge**

Where appropriate, the *ACD's Initial Charge* is deducted from the investment at the outset. Hence an investor, having paid an *Initial Charge*, who redeems his *Shares* in the short term may not (even in the absence of a fall in the value of the relevant investments) realise the original amount invested.

## **Emerging Markets**

Investment in emerging markets may involve a higher risk than that inherent in more developed markets.

Where *Funds* invest in some overseas markets these investments may carry risk associated with failed or delayed settlement of market transactions and with the registration and custody of securities.

Companies in emerging markets may not be subject:

1. to accounting, auditing and financial reporting standards, practices and disclosure requirements comparable to those applicable to companies in major markets;
2. 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 the *Funds*. Substantial government involvement in, and influence on, the economy may affect the value of securities in certain emerging markets.

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.

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.

## **Investment in Smaller Companies**

Smaller companies' securities may be less liquid than the securities of larger companies as a result of inadequate trading volume or restrictions on trading. Smaller companies may possess greater potential for growth, but can also involve greater risks, such as limited product lines and markets, and financial or

managerial resources. Trading in such securities may be subject to more abrupt price movements and greater fluctuations in available liquidity than trading in the securities of larger companies.

### **Sub-Investment Grade Bonds**

Such bonds have a lower credit rating than investment grade bonds and so a higher risk of default and carry a degree of risk both to the income and capital value of a *Fund*.

### **Suspension of Dealings**

In certain circumstances the right to redeem *Shares* may be suspended (see "Suspension of Dealings in the Company" on page 29).

### **Charges to Capital**

Where the investment objective of a *Fund* is to prioritise the generation of income over capital growth, or in circumstances where they have equal priority, all or part of the *ACD*'s fee may be charged against capital instead of against income. This may limit capital growth.

### **Liabilities**

Under the *OEIC Regulations*, each *Fund* is a segregated portfolio of assets and those assets can only be used to meet the liabilities of, or claims against, that *Fund* (this is often referred to as "segregated liability"). While the *OEIC Regulations* provide for segregated liability between funds, the concept of segregated liability is, in the context of collective investment schemes which are authorised and regulated in the UK, 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 therefore liable to make any further payment to the *Company* after he has paid the purchase price of the *Shares*.

### **Inflation**

Inflation will reduce the purchasing power of money when an investment is redeemed.

### **Liquidity Risk**

The absence of adequate liquidity which restricts investment opportunities is known as liquidity risk. When trading *Derivatives*, market demand can impact the ability to acquire or liquidate assets. Counterparty liquidity can be reduced by lower credit ratings or large cash outflows and margin calls can

increase a fund's liquidity risk. Liquidity risk tends to compound other risks. If a *Fund* has a position in an illiquid asset, its limited ability to liquidate that position at short notice will compound its market risk.

## **Operational Risk**

There is a dependency upon the ability to process transactions in different markets and currencies. Shortcomings or failures in internal processes, people or systems could lead to, among other consequences, financial loss and reputation damage. In addition, the ability to conduct business may be adversely impacted by a disruption in the infrastructure that supports the business and the communities in which they are located.

## **Legal Risk**

Legal Risk is the risk of loss due to the unexpected application of a law or regulation, or because contracts are not legally enforceable or documented correctly. The risks are largely minimised in respect of OTC *Derivatives* by ensuring that contracts known as "ISDA agreements" are in place with counterparties prior to trading.

## **Purchased Options**

Purchased Option contracts are exposed to a maximum loss equal to the price paid for the option (the premium) and no further liability.

## **Written Options**

Written options give the right of potential exercise to a third party. This creates exposure for the *Fund* as they may have to deliver out the underlying investments and should the market move unfavourably result in a loss. The maximum loss for the writer of a put option is equal to the strike price less the premium received. The maximum loss for the writer of an uncovered call option is unlimited.

In the case of a written option or a future the notional underlying is not delivered upon exercise as the contract is cash settled. The *Fund's* financial liability is therefore linked to the marked-to-market value of the notional underlying investments.

Over the counter options although providing greater flexibility may involve greater credit risk than exchange-traded options as they are not backed by the clearing organisation of the exchanges where they are traded.

## **Financial Transaction Tax**

**The European Commission is currently considering a proposal to introduce a financial transaction tax in the European Union which if introduced, may impact each Fund's return due to increased transactional costs.**

## Management and Administration

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### Authorised Corporate Director

The Authorised Corporate Director of the *Company* is RBS Collective Investment Funds Limited. The *ACD* is a private company limited by shares and was incorporated on 23 June 1969 in the United Kingdom registered number SC46694.

The *ACD* is wholly owned by a holding company which in turn is ultimately wholly owned by *RBSG*, a company incorporated in the United Kingdom. The Directors of the *ACD* are listed in Appendix VII.

The registered office of the *ACD* and its principal place of business is 24-25 St Andrew Square, Edinburgh, EH2 1AF.

The *ACD* has an issued share capital of £10,000,000 which is fully paid up.

The *ACD* is responsible for managing and administering the *Company's* affairs in compliance with the *COLL Sourcebook*.

Appendix V sets out details of the capacity in which the *ACD* acts in relation to any other regulated collective schemes and the names of such schemes.

The *ACD* provides its services to the *Company* under the terms of an agreement (the "**ACD Agreement**") dated 11 September 2003 (as subsequently amended from time to time). The *ACD Agreement* may be terminated upon at least 12 months' written notice by either party. In certain circumstances (including by reason of certain breaches of the *ACD Agreement*, certain insolvency related events occurring in relation to either party, either party ceasing to be authorised by applicable legal or regulatory authorities, either party ceasing to be able to comply with its obligations under the *ACD Agreement* or termination of the joint venture arrangements referred to above) the *ACD Agreement* may be terminated at any time forthwith by notice in writing by the *ACD* to the *Company* or by the *Depositary* or the *Company* to the *ACD*. Termination of the *ACD's* appointment cannot take effect until the *FCA* has approved the change of director.

The *ACD* is under no obligation to account to the *Depositary* or the *Shareholders* for any profit it makes on the issue, re-issue or cancellation of *Shares* which it has redeemed.

In the case of termination under the terms of the *ACD Agreement* the *ACD* is entitled to receive from the *Company* an amount agreed by both parties to be reasonable having regard to the additional expense incurred by the *ACD* in arranging for the transfer of the administration of the *Company* and its pro rata fees and expenses to the date of termination. There is no compensation for loss of office provided for in the *ACD Agreement*.

Subject to the *Regulations* and applicable laws, the *ACD* will not be liable to the *Company* or any *Shareholder* for any actions, claims, costs, damages or expenses unless arising as a direct consequence of the *ACD's* fraud, negligence, wilful default, breach of duty or breach of trust. Under the *ACD Agreement*, to the extent permitted by the *Regulations* and applicable laws, the *Company* indemnifies the *ACD* against all actions, proceedings, claims, costs, demands and expenses incurred by the *ACD* by reason of its functions under the *ACD Agreement* other than where there has been negligence, fraud, default, bad faith or wilful default in the performance of its duties and obligations.

Details of the fees to which the *ACD* is entitled are set out on pages 55 to 56.

The *ACD* is authorised and regulated by the *FCA* of 25 The North Colonnade, Canary Wharf, London, E14 5HS and is authorised to carry on regulated activities in the United Kingdom.

### ***The ACD's Remuneration Policy***

In accordance with the *FCA Handbook*, the *ACD* is required to establish and apply a remuneration policy for certain categories of staff whose activities have a material impact on the risk profile of the *ACD* or the UCITS that it manages.

The Remuneration Policy documents the remuneration policies, practices and procedures of the *ACD* and is reviewed at least annually.

The Remuneration Policy:

- (i) Is consistent with and promotes sound and effective risk management;
- (ii) Does not encourage risk taking that exceeds the level of tolerated risk of the *ACD* or that is inconsistent with the risk profile of the funds the *ACD* manages;
- (iii) Encourages behaviour that delivers results which are aligned to the interests of the UCITS managed by the *ACD*;
- (iv) Does not impair the *ACD's* ability to comply with its duty to act in the best interest of the funds it manages;
- (v) Recognises that remuneration should be competitive and reflect both financial and personal performance;
- (vi) Recognises that fixed and variable components should be appropriately balanced and that the variable component should be flexible enough so that in some circumstances no variable component may be paid at all;
- (vii) Requires that the majority of variable pay is subject to deferral;

- (viii) Takes into account that unvested variable pay may, in certain circumstances, be reduced.

Up-to-date details of the Remuneration Policy are available at [http://personal.rbs.co.uk/personal/investments/existing-customers/Key\\_Customer\\_Documents.html](http://personal.rbs.co.uk/personal/investments/existing-customers/Key_Customer_Documents.html) and [http://personal.natwest.com/personal/investments/existing-customers/Key\\_Customer\\_Documents.html](http://personal.natwest.com/personal/investments/existing-customers/Key_Customer_Documents.html). A paper copy of that information will be made available free of charge from the *ACD* upon request.

## The Depositary

J.P. Morgan Europe Limited is the *Depositary* of the *Company*. It is a private company with limited liability incorporated in England and Wales on 18th September 1968 with registered number 00938937. The *Depositary* is authorised by the *PRA* regulated by the *FCA* and *PRA* in the conduct of its regulated activities and is not prohibited from acting as *Depositary* by the *PRA*. The registered office of the *Depositary* is 25 Bank Street, Canary Wharf, London, E14 5JP.

The ultimate holding company of the *Depositary* is J.P. Morgan Chase and Co. which is incorporated in Delaware, USA.

### Terms of Appointment

The *Company* has appointed the *Depositary* under a depositary agreement dated 18 March 2016 (such agreement as amended from time to time, the “**Depositary Agreement**”).

The *Depositary* shall perform all the duties and obligations of a depositary under the *Investment Funds Legislation* as outlined in the *Depositary Agreement*.

The *Depositary* will be responsible for the safekeeping and ownership verification of the assets of the *Company*, cash flow monitoring and oversight in accordance with the *Investment Funds Legislation*. In carrying out its role as depositary, the *Depositary* shall act independently from the *Company* and the *ACD* and solely in the interest of the *Company* and its investors.

The *Depositary* will further, in accordance with the *Investment Funds Legislation*:

- a) ensure that the issue, redemption and cancellation of *Shares* effected by the *Company* or on its behalf are carried out in accordance with the *UCITS Law* or the *Instrument of Incorporation*;
- b) ensure that the value per share of the *Company* is calculated in accordance with the *UCITS Law* and the *Instrument of Incorporation*;
- c) carry out, or where applicable, cause any subcustodian or other custodial delegate to carry out the instructions of the *Company* or the *ACD* unless they conflict with the *UCITS Law* and the *Instrument of Incorporation*;



- d) ensure that in transactions involving the assets of the *Company*, the consideration is remitted to it within the usual time limits; and
- e) ensure that the income of the *Company* is applied in accordance with the *Instrument of Incorporation*.

The *Depositary Agreement* may be terminated on ninety (90) days' written notice by the *Depositary* or the *Company*. In certain circumstances, a party may terminate the *Depositary Agreement* immediately. Subject to the *Investment Funds Legislation*, the *Depositary Agreement* may also be terminated by the *Depositary* on 30 days' notice in writing if (i) it is unable to ensure the required level of protection of the *Company's* investments under the *Investment Funds Legislation* because of the investment decisions of the *ACD* and /or the *Company*; or (ii) the *Company*, or the *ACD* on behalf of the *Company*, wishes to invest or to continue to invest in any jurisdiction notwithstanding the fact that (a) such investment may expose the *Company* or its assets to material country risk or (b) the *Depositary* is not able to obtain satisfactory legal advice confirming, among other things, that in the event of an insolvency of a subcustodian or other relevant entity in such jurisdiction, the assets of the *Company* held locally in custody are unavailable for distribution among, or realisation for the benefit of, creditors of the such subcustodian or other relevant entity.

The *Depositary* may not retire voluntarily except upon the appointment of a new *Depositary* in accordance with the *Regulations*. Before expiration of any such notice period, the *ACD* shall propose a new depositary which fulfils the requirements of the *Investment Funds Legislation* and to which the *Company's* assets shall be transferred and which shall take over its duties as the *Company's* depositary from the *Depositary*. The *Company* and the *ACD* will use reasonable endeavours to find a suitable replacement depositary. If no such person has been appointed within three months of the retirement notice the *Company* is to be wound up, subject to *FCA* approval.

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

#### Liability of the Depositary

The *Depositary* is liable to the *Company* or its investors for the loss of a financial instrument held in custody by the *Depositary* or any of its delegates. Except as otherwise required by the *Investment Funds Legislation*, the *Depositary* shall not be liable to the *Company* or the *Shareholders* or any other person for consequential or indirect or special damages or losses arising out of or in connection with the performance or non-performance by the *Depositary* of its duties and obligations. The *Depositary* will be liable to the *Company* or the *Shareholders* for any loss suffered by them arising from the negligent or intentional failure to fulfil its obligations pursuant to the *Depositary Agreement* or the *Investment Funds Legislation*.

Under the *Depositary Agreement*, to the extent permitted by the *Regulations*, the *Company* indemnifies the *Depositary* and its *Associates* against all costs, charges, losses and liabilities incurred in the proper exercise, or in the purported exercise reasonably and in good faith, of the *Depositary's* functions (except in respect of the failure of the *Depositary* or its *Associates* to exercise due care and diligence in the discharge of its functions in respect of the *Company* or arising out of the negligence, fraud or wilful default of the *Depositary* or its *Associates* or breach by the *Depositary* or its *Associates* of the *Regulations*) and (to the extent permitted by the *COLL Sourcebook*) exempts it from liability in certain circumstances.

Under the *Depositary Agreement* the *Depositary* indemnifies the *Company* against all losses, liabilities, costs, expenses and demands suffered by the *Company* to the extent that the *Depositary* has been negligent, fraudulent or in wilful default in respect of its duties under the *Depositary Agreement* and in respect of all actions, claims, losses, liabilities, costs and expenses incurred by the *Company* as a result of any breach by the *Depositary* of the *Regulations* (provided that the *Depositary* will not be liable for any failure by the *Company* to exercise due care and diligence in the discharge of its functions or for the negligence, fraud or wilful default of the *Company* or breach by the *Company* of the *FCA Handbook* in the discharge of its functions).

The fees to which the *Depositary* is entitled are set out on page 57.

#### Delegation of safe keeping function

Under the terms of the *Depositary Agreement* and subject to the *Investment Funds Legislation*, the *Depositary* has the power to delegate its safe keeping functions.

When selecting and appointing a subcustodian or other delegate, the *Depositary* shall exercise all due skill, care and diligence as required by the *Investment Funds Legislation* to ensure that it entrusts the *Company's* assets only to a delegate who may provide an adequate standard of protection.

Except as provided in the *Investment Funds Legislation*, the *Depositary's* liability shall not be affected by the fact that it has entrusted all or part of the assets in its care to a third party.

The *Depositary* has, pursuant to the *Regulations*, delegated to JPMorgan Chase Bank N.A., London Branch (the **Custodian**) the custody of the financial instruments of the *Company*. JPMorgan Chase Bank N.A., London Branch's registered office is 25 Bank Street, Canary Wharf, London E14 5JP. JPMorgan Chase Bank N.A., London Branch is authorised by the *PRA* and regulated by the *FCA* and *PRA*.

The *Custodian* provides services, as the delegate of the *Depositary* and appointee of the *Company*, to the *Company* under an agreement which took effect on 18 March 2016 between the *Company*, the *Depositary* and the *Custodian* (the "**Global Custody Agreement**").

The *Global Custody Agreement* will, inter alia, terminate automatically in the event that the *Depositary Agreement* is terminated, unless the parties agree otherwise. As a general rule, whenever the *Depositary* delegates any of its safe keeping functions, the *Depositary* will remain liable for the loss of financial instruments, except where the Regulations provide otherwise. Under the *Global Custody Agreement* the *Company* will indemnify the *Custodian* against any losses that it may suffer in connection with or arising out of its performance of its obligations under the *Global Custody Agreement* provided that the loss has not arisen because of the *Custodian's* negligence, fraud or wilful default.

The current list of subcustodians and other delegates used by the *Depositary* and *Custodian* that may arise from any delegation is available at Appendix VIII and the latest version of such list may be obtained by investors from the *Company* upon request.

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

#### *Conflicts of Interest*

As part of the normal course of global custody business, the *Depositary* may from time to time have entered into arrangements with other clients, funds or other third parties for the provision of safekeeping and related services. Within a multi-service banking group such as JPMorgan Chase Group, from time to time conflicts may arise between the *Depositary* and its safekeeping delegates, for example, where an appointed delegate is an affiliated group company and is providing a product or service to a fund and has a financial or business interest in such product or service or where an appointed delegate is an affiliated group company which receives remuneration for other related custodial products or services it provides to the funds, for instance foreign exchange, securities lending, pricing or valuation services. In the event of any potential conflict of interest which may arise during the normal course of business, the *Depositary* will at all times have regard to its obligations under applicable laws including Article 25 of the *UCITS V Directive*.

## **The Investment Manager**

The *ACD* has appointed Aviva Investors Global Services Limited to provide investment management and advisory services to the *ACD* under an agreement dated 18 March 2016 (“the *Investment Management Agreement*”) in relation to all *Funds*. This agreement replaced a previous agreement dated 10 February 2005, which had effect from 17 January 2005 (as subsequently amended from time to time). The *Investment Manager* has full discretion to exercise the functions, duties and powers of the *ACD* under the *Regulations* and the *Instrument of Incorporation* as they relate to the management of the *Scheme Property* and the *Investment Manager* has the power to make decisions on behalf of the *ACD* or the *Company* for that purpose.

*The Investment Management Agreement* may be terminated by either party at any time having given not less than three months' prior written notice.

Termination may occur at any time if either party is in material breach of the *Investment Management Agreement* and (if remediable) shall fail to make good such breach within 10 days of receipt of written notice from the other party requiring it to do so; is prevented from performing its obligations under the *Investment Management Agreement* for at least 30 consecutive days; suffers certain insolvency related events including being wound up. Termination may also occur at any time if required by applicable law or any competent regulatory authority.

The *ACD* may also terminate the *Investment Management Agreement* immediately if it believes that it is in the best interest of the *Fund's Shareholders* to do so. The *Investment Management Agreement* shall also terminate immediately if the *Investment Manager* ceases to be authorised by the *FCA* for the performance of any of its obligations under the *Investment Management Agreement*.

Under the *Investment Management Agreement* the *ACD* indemnifies the *Investment Manager* and its delegates (except in the case of any matter arising as a direct result of their fraud, negligence, bad faith or wilful default) against all expenses, losses, damages, liabilities, demands, charges and claims incurred as a result of the performance or non-performance by the *ACD* of its duties under the *Investment Management Agreement*.

Under the *Investment Management Agreement*, the *Investment Manager* indemnifies the *ACD* and the *Company* against all expenses, losses, damages, liabilities, demands, charges and claims (other than due to fraud, bad faith, wilful default or negligence on the part of the *ACD*) incurred as a result of the performance or non-performance by the *Investment Manager* of its of its duties under the *Investment Management Agreement*.

Aviva Investors Global Services Limited is authorised and regulated by the *FCA* and is authorised to carry on regulated activities in the United Kingdom. Its principal activity is acting as an *Investment Manager* and adviser.

The *Investment Manager's* fees are paid by the *ACD* out of its remuneration under the *ACD Agreement* and the *Investment Manager* is reimbursed by the *ACD* for such of those expenses as are incurred by it as are described below under "Payments out of the Scheme Property" and are therefore recoverable by the *ACD* from the *Company*.

Additional agreements are in place between the *Investment Manager* and certain of its overseas subsidiaries for the provision of investment management services in respect of a number of overseas portfolios.

## **The Administrator**

The *ACD* has appointed Aviva Life Services UK Limited to provide administration services to the *ACD* and to act as Registrar in respect of the *Company* by an agreement dated 23 December 2010 between the *ACD* and the *Administrator* ("**the Administration and Registrar Agreement**"). The *Administrator* has sub-delegated this responsibility to International Financial Data Services (UK) Limited.

The *Administrator's* fees are paid by the *ACD* out of its remuneration under the *ACD Agreement* and the *Administrator* is reimbursed by the *ACD* for such of those expenses as are incurred by it as are described below under "Payments out of the Scheme Property of the Company" and are therefore recoverable by the *ACD* from the *Company*.

## **Register of Shareholders**

The Register of Shareholders and any sub-plan register is maintained by the *Registrar* at its office at IFDS House, St Nicholas Lane, Basildon, Essex SS15 5FS and may be inspected at that address during normal business hours by any *Shareholder* or any *Shareholder's* duly authorised agent.

*Share* certificates will not be issued.

*Shareholders* will be able to monitor their holdings by a statement showing transactions in *Shares* and current holdings which will be sent out to all *Shareholders*, or in the case of joint holdings to the first named, twice a year by the *Registrar*. The *Register* is prima facie evidence of matters properly entered in it.

If any *Shareholder* requires evidence of title to *Shares* then upon such proof of identity as it shall reasonably require the *Registrar* will provide the *Shareholder* with a certified copy of the relevant entry in the *Register*. *Shareholders* must notify the *Registrar* of any change of address.

## **The Auditors**

The Auditors of the *Company* are Ernst & Young LLP, 10 George Street, Edinburgh, EH2 2DZ.

## **Delegation**

Subject to exceptions in the *COLL Sourcebook*, the *ACD* and the *Depositary* may retain (or arrange for the *Company* to retain) the services of other persons to assist them in performing their contracted functions. In relation to certain functions the *ACD* and the *Depositary* will not be liable for the actions of those appointed provided certain provisions in the *COLL Sourcebook* apply.

## **Conflicts of Interest**

The *ACD* and the *Investment Managers* may, from time to time, act as investment managers or advisers to other funds or sub-funds which follow similar investment objectives to those of the *Funds* of the *Company*. It is therefore possible that the *ACD* and/or the *Investment Managers* may in the course of their business

have potential conflicts of interest with the *Company* or a particular *Fund*. Each of the *ACD* and the *Investment Managers* will, however, have regard in such event to its obligations under the *Regulations*, the *ACD Agreement* and the relevant Investment Management Agreement respectively and, in particular, to its obligation to act in the best interests of the *Company* so far as obligations to other clients are concerned when undertaking investment where potential conflicts of interest may arise.

The *Depositary* may, from time to time, act as the depositary of other companies and may, subject to the *COLL Sourcebook*, hold money on deposit from, lend money to, or engage in share lending transactions in relation to the *Company* provided such transactions are at arm's length.

The *COLL Sourcebook* contains provisions on conflict of interest governing any transaction concerning the *Company* which is carried out by or with any ("**Affected Person**"), an expression which covers the *Company*, the *ACD*, the *Investment Managers*, the *Depositary*, and an *Associate* of any of them.

These provisions, among other things, enable an *Affected Person* to sell or deal in the sale of property to the *Company* or the *Depositary* for the account of the *Company*; vest property in the *Company* or the *Depositary* against the issue of *Shares*; purchase property from the *Company* (or the *Depositary* acting for the account of the *Company*); enter into a stocklending transaction, or a *Derivatives* transaction permitted by the *COLL Sourcebook*, in relation to the *Company*; or provide services for the *Company*. Any such transactions with or for the *Company* are subject to best execution on exchange, or independent valuation or arm's length requirements as set out in the *COLL Sourcebook*. An *Affected Person* carrying out such transaction is not liable to account to the *Company*, the *Depositary*, the *ACD*, any other *Affected Person*, or to the *Shareholders* or any of them for any benefits or profits thereby made or derived.

Full details of the *ACD*'s conflicts of interest policy are available upon request by writing to the *ACD* at PO Box 9908, Chelmsford, Essex, CM99 2AF.

## **Order Execution information**

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

In view of this, the *ACD* is required to treat the *Company* as its client. It is also required to have an order execution policy in place detailing how it will act in line with the best interests of the *Company* and to take all reasonable steps to obtain the best possible result, when it directly executes an order, places an order with, or transmits an order to, another entity for execution. A copy of the *ACD*'s order execution policy is available upon request by writing to the *ACD* at PO BOX 9908, Chelmsford, Essex CM99 2AF.

## **Voting Rights Strategy**

In accordance with the *FCA Handbook*, the *ACD* must develop strategies for determining when and how voting rights of assets held within the *Scheme Property* are to be exercised. A copy of the *ACD's* voting rights strategy, is available upon request by writing to the *ACD* at PO BOX 9908, Chelmsford, Essex CM99 2AF. Details of the actions which the *ACD* has taken on the basis of its voting rights strategy are available, upon request by writing to the *ACD* at PO BOX 9908, Chelmsford, Essex CM99 2AF.

## Fees and Expenses

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### Payments to the ACD

#### Annual Management Charge

The *ACD* is entitled under its agreement with the *Company* to levy a management fee in respect of each *Fund*, calculated by reference to an annual percentage rate based on the *Net Asset Value* of the *Fund*, in payment for carrying out its duties and responsibilities. The current rate of management fee payable in respect of each *Class* and *Fund* is set out on pages 55 and 56.

The annual management fee accrues daily and is payable monthly in arrears. For all *Funds*, the fee is calculated based on the *Net Asset Value* of the *Funds* on the last *Business Day* of each month.

Where the investment objective of a *Fund* is to treat the generation of income as a higher priority than capital growth or to treat the generation of income and capital growth as having equal priority, all or part of the *ACD's* fee and expenses may be charged against capital instead of against income provided this has first been agreed by the *ACD* and the *Depositary* and the *ACD* has given 90 days' notice in writing of the date of the change to all *Shareholders* in the *Fund* concerned. This treatment of the *ACD's* fee will increase the amount of income available for distribution to *Shareholders* in the *Fund* concerned, but may constrain capital growth. At the present time the *ACD's* fees and expenses are charged against income for all *Funds* except the Equity Income Fund for which they are charged to capital.

If a *Class's* expenses in any period exceed the income the *ACD* may take that excess from the capital property attributable to that *Class*.

The *ACD* may not introduce a new category of remuneration for its services or increase the current rate or amount of its remuneration payable out of the *Scheme Property* of the *Company* or the *Initial Charge* unless the *ACD*:

1. has given 60 days' notice in writing of the introduction or increase and the date of its commencement to all *Shareholders* and
2. has revised and made available the Prospectus to reflect the introduction or new rate and the date of its commencement.

If the *ACD* considers that any new category or increase in its remuneration or charges would constitute a "fundamental change" (as defined in the *COLL Sourcebook*), the *ACD* would require the prior approval of an extraordinary resolution of *Shareholders*.



### **Initial Charge**

The ACD is permitted to make an *Initial Charge* upon a sale of *Shares*. The *Initial Charge* is deducted from the gross amount tendered for investment and the balance invested in the selected *Funds*. The current *Initial Charges* for each *Class* are set out in the table below.

### **Table of charges**

The current initial and annual management charges are as follows:

#### **Class 1 Shares**

| Fund                      | Initial % | Annual % |  |
|---------------------------|-----------|----------|--|
| Extra Income Fund         | 0.00      | 1.00     |  |
| High Yield Fund           | 0.00      | 1.00     |  |
| Equity Income Fund        | 0.00      | 1.25     |  |
| Growth Fund               | 0.00      | 1.25     |  |
| Balanced Fund             | 0.00      | 1.50     |  |
| International Growth Fund | 0.00      | 1.50     |  |

### **Switching Fee**

If a *Shareholder Switches Shares* in one *Fund* for *Shares* in another *Fund* the ACD, at its discretion, may impose a switching fee, the details of which are set out in the section headed 'Dealing Charges' on page 23.

### **Registration Fee**

The ACD shall be entitled to receive a fee out of the *Scheme Property* for providing registration services. There is no current intention to make such a charge. Before the ACD introduces any registration fee, it will notify *Shareholders* and revise the Prospectus as required by the *COLL Sourcebook*.

### **ACD Expenses**

The ACD is also entitled to be paid by the *Company* out of the *Scheme Property* any expenses incurred by the ACD or its delegates of the kinds described on page 59 under the section headed below under 'Payments out of the Scheme Property' and all other reasonable, properly vouched for, out of pocket expenses incurred in the performance of its duties.

### **VAT**

The charges set out above are exclusive of VAT. VAT is payable on these charges or expenses where appropriate.

## Investment Managers', Administrator's and Registrar's Fees

The *Investment Managers'*, *Administrator's* and *Registrar's* fees and expenses will be paid by the *ACD* out of its remuneration under the *ACD Agreement* except for any such expenses that are properly the responsibility of the *Company* and may be reimbursed out of the *Scheme Property* as described on page 59 under "Payments out of the *Scheme Property*".

## Depositary's Fees and Expenses

### Fees

The *Depositary's* remuneration, which is payable out of the *Scheme Property*, is a periodic charge calculated by reference to an annual percentage rate based on the value of the *Scheme Property* as is set out below, with the *Scheme Property* being valued for this purpose for all *Funds* on the same basis as for the annual management charge as set out above. The *Depositary's* remuneration accrues daily and is payable monthly in arrears for all the *Funds*.

Currently, the *ACD* and the *Depositary* have agreed that the *Depositary's* remuneration in respect of the *Company* shall be calculated on a sliding scale as follows:

| Band Range                | Fees     |
|---------------------------|----------|
| On the first £50,000,000  | 0.0225 % |
| On the next £50,000,000   | 0.0175 % |
| On the next £150,000,000  | 0.0125 % |
| Balance over £250,000,000 | 0.0075%  |

The *Depositary* is also entitled to receive out of the *Scheme Property* remuneration for performing or arranging for the performance of the functions conferred on the *Depositary* by the *Instrument of Incorporation* or the *COLL Sourcebook*. The *Depositary's* remuneration under this paragraph shall accrue when the relevant transaction or other dealing is effected and shall be paid in arrears on the next following date on which payment of the *Depositary's* periodic charge is to be made or as soon as practicable thereafter. Currently the *Depositary* does not receive any remuneration under this paragraph.

### Expenses

In addition to the remuneration referred to above, the *Depositary* will be entitled to receive reimbursement for expenses properly incurred by it in the discharge of its duties or exercising any of the powers conferred upon it in relation to the *Company* and each *Fund*, subject to approval by the *ACD*.

*Depositary* charges vary according to the countries in which a *Fund* invests. In addition, a charge can be levied for *Derivative* transactions.

The *Depositary* has appointed JPMorgan Chase Bank as the *Custodian* of the *Scheme Property* and is entitled to receive reimbursement of the *Custodian's* fees as an expense of the *Scheme Property*. JPMorgan Chase Bank's remuneration for acting as *Custodian* is calculated at an ad valorem rate determined by the territory or country in which the assets of the *Scheme Property* are held.

Currently, the lowest rate is 0.001% and the highest rate is 0.25%. In addition, the *Custodian* makes a transaction charge determined by the territory or country in which the transaction is effected. Currently, these transaction charges range from £6 to £75 per transaction where instructions are in an electronic format that enables straight-through processing (STP). Trade instructions that require manual input or repair will incur a surcharge of up to £30.

Accruals are made based on the aggregate number of transactions and value of holdings, and are paid monthly in arrears.

The *Depositary* is also entitled to be reimbursed out of the *Scheme Property* in respect of remuneration charged by the *Custodian* for such services as the *ACD*, *Depositary* and the *Custodian* may from time to time agree, being services delegated to the *Custodian* by the *Depositary* in performing or arranging for the performance of the functions conferred on the *Depositary* by the *Instrument of Incorporation* or the *COLL Sourcebook*. Remuneration charged under this paragraph shall accrue when the relevant transaction or other dealing is effected and shall be paid in arrears. Currently the *Custodian* does not receive any remuneration under this paragraph.

Subject to current HM Revenue & Customs regulations, *VAT* at the prevailing rate may be payable in addition to the *Depositary's* remuneration, the *Custodian's* remuneration and the above expenses.

## **Stocklending**

Under an agreement between the *Company*, the *Depositary* and J.P. Morgan Chase Bank N.A., J.P. Morgan Chase Bank N.A. is entitled to a payment for the transaction costs incurred in connection with any stocklending activity. Under this agreement the *Depositary* will make a payment to J.P. Morgan Chase Bank N.A. for services provided in connection with the stocklending activity. The fee payable to J.P. Morgan Chase Bank N.A. will be 25% of the gross income generated by the stocklending arrangements. Of the remaining amount of gross income that is generated by virtue of the stocklending activity, 60% will be applied to the *Scheme Property* of the *Company* and 15% to the *ACD* for the administration services it provides in this regard.

There is no limit on the value of the property of a *Fund* which may be the subject of stocklending transactions.

## Payments out of the Scheme Property

So far as the *Regulations* allow, the *Company* is responsible for all its other expenses. Such expenses may be paid out of the *Scheme Property* of the *Company* and include the following:

1. the fees and expenses payable to the *ACD* (which will include the fees and expenses payable to Aviva Investors Global Services Limited as *Investment Manager*);
2. the fees and expenses payable to the *Depositary* (including all charges and expenses of any agents appointed by the *Depositary* in the discharge of its duties and all charges and expenses incurred in relation to the preparation of the *Depositary's* annual report to *Shareholders*);
3. the fees and expenses in respect of establishing and maintaining the Register of Shareholders and/or plan sub-registers and related functions;
4. expenses incurred in distributing and dispatching income and other payments to *Shareholders*;
5. fees and expenses in respect of the publication and circulation of details of *Share* prices;
6. the fees, expenses and disbursements of the *Auditors* and tax, legal and other professional advisers of the *Company*;
7. the costs of convening and holding *Shareholder* meetings (including meetings of *Shareholders* in any particular *Fund*, or any particular *Class* within a *Fund*) and of producing associated documentation;
8. the costs of preparing, printing and distributing reports, accounts and Prospectuses, (other than simplified Prospectuses) or (subject to the *COLL Sourcebook*) promotional material in respect of the *Company* and of any marketing activities undertaken by the *ACD* in relation to the *Company*, publishing prices, periodic updates of any Prospectus and any other costs incurred in connection with communicating with investors, amending the *Instrument of Incorporation*; and any other such administrative expenses;
9. taxation and duties payable by the *Company* without limitation in respect of the *Scheme Property* or the issue or redemption of *Shares*;
10. fees and expenses incurred in acquiring, disposing of and registering investments (including brokers' commissions any issue or transfer taxes or stamp duty);

11. all taxes and corporate fees payable by the *Company* to any government or other authority or to any agency of such government or authority whether in Great Britain or elsewhere;
12. interest on borrowings and charges and expenses incurred in effecting, arising out of or terminating such borrowings or in negotiating or varying the terms of such borrowings;
13. all expenses of any nature of or incidental to deposits of cash made by the *Company*;
14. any amount payable by the *Company* under any indemnity provisions contained in the *Instrument of Incorporation* or any agreement with any functionary of the *Company* (to the extent permitted by the *Regulations*);
15. fees of the *FCA* under Schedule 1 Part III of the *Act* and the corresponding periodic fees of any regulatory authority in the country or territory outside the United Kingdom in which *Shares* are or may lawfully be marketed;
16. safe custody charges;
17. costs of dealing in the *Scheme Property* necessary to be incurred and normally shown in contract notes and similar documents;
18. royalty fees incurred for the use of stock exchange index names;
19. any liabilities on amalgamation or reconstruction of the *Company* or any *Fund* or which arise after transfer of property to the *Company* in consideration for the issue of *Shares* in accordance with the applicable rules within the *FCA Handbook*;
20. directors' remuneration in the event that the *Company* has directors in addition to the *ACD*;
21. the fees and expenses incurred in establishing any new share class and/or *Funds*, the listing of *Shares* on any stock exchange, any offer of *Shares* (including the preparation and printing of any Prospectus) and the creation, *Conversion* and cancellation of *Shares*;
22. any payments otherwise due by virtue of the applicable rules of the *FCA Handbook*; and
23. any *VAT* or similar tax payable on these charges.

It is not currently proposed to seek a listing for the *Shares* on any stock exchange, but if a listing is sought in the future the fees connected with the listing will be payable by the *Company*.

Fees and expenses are allocated between capital and income in accordance with the *Regulations* and the Statement of Recommended Practice regarding the Financial Statements of Authorised Open-Ended Investment Companies issued by the Investment Management Association (now the Investment Association) as of May 2014 and for the time being in force.

### **Allocation of Fees and Expenses between Funds**

All the above fees and expenses (other than those borne by the *ACD*) will be charged to the *Fund* in respect of which they were incurred but where an expense is not considered to be attributable to any one *Fund*, the expenses will be allocated by the *ACD* in a manner which is fair to *Shareholders* generally. They will normally be allocated to all *Funds* pro rata to the value of the net assets of the relevant *Funds*.

Fees and expenses specific to a *Class* will be allocated to that *Class*. They will otherwise be allocated in a manner which is fair to *Shareholders* generally and will normally be allocated to all *Classes* pro rata to the value of the net assets of the relevant *Class*.

The annual management charge will be attributed to the *Class* of *Shares* in respect of which it is imposed.

### **Value Added Tax**

Where this Prospectus provides that a consideration shall be paid for the supply of goods or services, such consideration is stated as exclusive of *VAT*.

# Instrument of Incorporation

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The *Instrument of Incorporation* of the *Company* (which is available for inspection at the *ACD's* offices at 24-25 St Andrew Square, Edinburgh, EH2 1AF) contains provisions to the following effect:

## Object

The object of the *Company* will be to invest the *Scheme Property* mainly in transferable securities, *Derivatives*, deposits and units in collective investment schemes permitted by the *COLL Sourcebook* for UCITS schemes with the aim of spreading investment risk and giving its *Shareholders* the benefit of the results of the management of that property.

## Shares and Share Classes

1. The *Company* may from time to time issue *Shares* of different *Classes* in respect of a *Fund* and the *ACD* may by resolution from time to time create additional *Classes* (whether or not falling within one of the *Classes* in existence on incorporation).
2. The *ACD* may by a resolution from time to time create additional *Funds* with such investment objectives and such restrictions as to geographic area, economic sector, monetary zone or category of investment, and denominated in such currencies, as the directors from time to time determine.

## Transfer of Shares

1. All transfers of registered *Shares* must be effected by transfer in any usual or common form or in any other form as may be approved by the *ACD*. The transfer must be in writing unless the *ACD* decides otherwise. The signature on the instrument of transfer may be affixed manually or electronically and may be an actual signature or a facsimile signature. The *ACD* need not enquire as to the genuineness of any signature.
2. No instrument of transfer may be given in respect of more than one *Class*.
3. In the case of a transfer to joint holders, the number of joint holders to whom a *Share* is to be transferred may not exceed four.
4. Unless the *ACD* in its discretion decides otherwise, no transfer may result in either the transferor or the transferee holding fewer *Shares* of the *Class* concerned or *Shares* having a lesser aggregate value than any number or value as is stated in the Prospectus as the minimum which may be held.

## **Number of Directors**

Unless otherwise determined by the *ACD* the number of directors shall not at any time exceed one.

## **Removal of ACD**

The *Company* may by ordinary resolution remove the *ACD* before the expiration of its period of office, notwithstanding anything in the *Instrument of Incorporation* or in any agreement between the *Company* and the *ACD*, but the removal will not take effect until the *FCA* has approved it and a new *ACD* approved by the *FCA* has been appointed.

## **Amendments and Priority**

The *Instrument of Incorporation* may be amended by resolution of the *ACD* to the extent permitted by the *COLL Sourcebook*.

In the event of any conflict arising between any provision of the *Instrument of Incorporation* and the *Regulations*, the *Regulations* will prevail.

## **Indemnity**

The *Instrument of Incorporation* contains provisions indemnifying every director, other officer, the *Depositary* and the *Auditors* against liability incurred in defending proceedings for negligence, default, breach of duty or breach of trust in relation to the *Company* in which judgment is given in its favour or it is acquitted or in relation to which relief is granted by the court in accordance with Regulation 63 of the *OEIC Regulations*, unless any such liability is recovered from any other person.

As far as the *Regulations* allow, the *Company* may advance expenses in connection with the preparation and presentation of a defence to the proceedings mentioned above prior to the outcome of the proceedings if the recipient undertakes to repay the amount advanced if it is ultimately determined that that person was not entitled to indemnification.



## Meetings and Voting Rights

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### General Meeting

All general meetings shall be called Extraordinary General Meetings. The *Company* will not convene any Annual General Meetings.

### Requisitions of Meetings

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

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

### Notice and Quorum

*Shareholders* will receive at least 14 days' written notice of a general meeting inclusive of the date on which the notice is served and the day of the meeting. The quorum for a meeting is two *Shareholders* present in person or by proxy. The quorum for an adjourned meeting is one *Shareholder* present in person or by proxy or in the case of a corporation, by a duly authorised representative.

Notices of meetings, adjourned meetings or documents will be sent to *Shareholders* in writing by post at their registered addresses.

### Voting Rights

Generally, *Shareholders* are entitled to receive notice of a meeting and to vote at a meeting if they were holders of *Shares* in the *Company* on the date seven days before the notice is sent out. This will not, however, include those who are known to the *ACD* not to be holders at the date of the meeting.

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

On a poll vote, a *Shareholder* may vote either in person or by proxy. The voting rights attaching to each *Share* in such a case are such proportion of the voting rights attached to all the *Shares* in issue as the price of the *Shares* 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.

An instrument appointing a proxy may be in any usual or common form, or any form approved by the *ACD*. The person appointed to act as a proxy need not be a *Shareholder*.

A *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.

The *ACD* is entitled to attend any meeting but, except in relation to third party *Shares*, may not vote or be counted in the quorum for a meeting and any *Shares* it holds are treated as not being in issue for the purposes of the meeting. An *Associate* of the *ACD* is entitled to attend any meeting of the *Company* and may be counted in the quorum, but may not vote except in relation to third party *Shares*. For these purposes third party *Shares* are any *Shares* which the *ACD* or *Associate* holds on behalf of or jointly with a person who, if the registered *Shareholder*, would be entitled to vote and from whom the *ACD* or *Associate* has received voting instructions.

## **Powers of a Shareholders' Meeting**

The *Company's Instrument of Incorporation* and the *COLL Sourcebook* empower *Shareholders* in general meeting to approve or require various steps (generally subject to *FCA* approval).

These matters include:

- removal of the *ACD*
- changes to some of the matters contained in the *Instrument of Incorporation* and this Prospectus
- the amalgamation or reconstruction of the *Company*.

In accordance with the *COLL Sourcebook*, other provisions may be changed by the *ACD* without the approval of *Shareholders* in a general meeting.

There are circumstances, however, in which the *COLL Sourcebook* or the *Instrument of Incorporation* require an extraordinary resolution which needs 75% of the votes cast at the meeting to be in favour if the resolution is to be passed, for example, changes to the investment objectives of a *Fund*.

## **Proceedings at General Meetings**

A person nominated by the *Depositary* will preside as chairman at general meetings. If no such person is present or declines to take the chair, the *Shareholders* present may choose one of their number to be chairman of the meeting.

The chairman of any quorate meeting may with the consent of the meeting adjourn the meeting from time to time (or without date) and from place to place, and if he is directed by the meeting to adjourn he must do so. No business can be transacted at an adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place.

*Shareholders* have rights under the *COLL Sourcebook* to demand a poll. In addition, a poll may be demanded by the chairman of the meeting or by the *ACD* on any resolution put to the vote of a general meeting.

Unless a poll is required, a declaration by the chairman that a resolution has been carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book or computer record of proceedings will be taken without proof, as conclusive evidence of that fact. If a poll is required, it will be taken in such manner (including the use of ballot papers or electronic or computer voting system) as the chairman may direct.

The chairman of a general meeting may take any action he considers appropriate for, for example, the safety of people attending a general meeting, the proper and orderly conduct of the general meeting or in order to reflect the wishes of the majority. He may, for example, require any people to prove who they are, carry out security searches, and stop certain things being taken into the meeting. The chairman may on reasonable grounds refuse to allow any person into a meeting, or may arrange for any person who refuses to comply with any reasonable requirements imposed under this clause to be removed from a meeting. The *ACD* may arrange for any people whom it considers cannot be seated in the main meeting room (where the chairman will be) to attend and take part in a general meeting in an overflow room or rooms. Any overflow room will have a live video link from the main room, and a two-way sound link. The notice of the meeting need not give details of any arrangements under this clause. The *ACD* may decide how to divide people between the main room and any overflow room. If any overflow room is used, the meeting will be treated as being held, and taking place, in the main room.

## **Corporations Acting by Representatives**

Any corporation which is a *Shareholder* may by resolution of its directors or other governing body and in respect of any *Share* or *Shares* of which it is the holder authorise such individual as it thinks fit to act as its representative at any general meeting of the *Shareholders* or of any *Class* or *Fund* meeting. The individual so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise in respect of such *Share* or *Shares* if it were an individual *Shareholder* and such corporation shall be deemed to be present in person if an individual so authorised is present.

A corporation which holds *Shares* as nominee may appoint more than one such representative, each in respect of a specified number of *Shares* which the corporation holds, and each such representative shall be entitled to exercise the powers mentioned above only in respect of the *Shares* concerned.

Any corporation which is a *Director* of the *Company* may by resolution of its directors or other governing body authorise such individual as it thinks fit to act as its representative at any general meeting of the *Shareholders*, or of any *Class* or *Fund* meeting or any meeting of the *Directors*. The person so authorised shall be entitled to exercise the same powers at such meeting on behalf of such corporation as the corporation could exercise if it were an individual *Director* and such corporation shall be deemed to be present in person if an individual so authorised is present.

### **Class and Fund Meetings**

The above provisions, unless the context otherwise requires, apply to *Class* meetings and meetings of *Funds* as they apply to general meetings of *Shareholders* but by reference to *Shares* of the *Class* or *Fund* concerned and the *Shareholders* and prices of such *Shares*.

### **Variation of Class Rights**

The rights attached to a *Class* may only be varied with the sanction of a resolution passed at a meeting of *Shareholders* of that *Class* or *Fund* by a 75% majority of those votes validly cast for and against such resolution.

# Taxation

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## General and Disclaimer

The following is an outline of the ACD's understanding of current UK taxation legislation and HM Revenue and Customs (HMRC) practice that applies to the *Funds* and investments in the *Funds*. It may not apply to special categories of *Shareholder* such as non-UK residents, individuals who are UK resident but non-domiciled, dealers in securities, life insurance companies, pension funds or charities. The basis of taxation, and the rates of taxation, may change in the future. The taxation position of *Shareholders* will be affected by their own circumstances and *Shareholders* should consult their professional advisers for specific advice in connection with any decision to acquire, hold or dispose of *Shares*. *Shareholders* may be subject to taxation in a country other than the UK, for example because they reside or were established in that other country.

## The *Funds*

Each *Fund* will be treated as a separate entity for UK tax purposes. The *Funds* are liable to corporation tax at a rate of 20% on their net income, excluding dividends which will generally not be subject to UK tax. Each *Fund* does not pay tax on any gains arising from the disposal of investments held and is not normally liable on capital profits, gains or losses arising in respect of loan relationships or *Derivatives*.

Each *Fund* may be subject to withholding taxes on overseas income or gains which may be irrecoverable. Where irrecoverable foreign withholding tax is incurred each *Fund* may be entitled to offset some or all of any foreign tax suffered on its overseas income against its liability to corporation tax to the extent that overseas income is subject to UK corporation tax.

Each *Fund* may incur Stamp Duty or transfer taxes on the purchase, sale or transfer of assets which may impact the value of an investor's holding.

## Shareholders

*Shareholders* may potentially suffer tax both on any income they receive from their *Shares* and on any profit they realise on disposing of their *Shares*.

## Income Equalisation

The price of a *Share* is based on the value of that share class's proportionate interest in the relevant *Sub-fund* including its proportionate interest in the income of the *Fund* since the preceding distribution or, in the case of *Accumulation Shares*, deemed distribution. In the case of the first distribution received a part of the amount, namely the equalisation payment, is a return of capital and is not taxable as income in the hands of the *Shareholder*. However, this amount must be deducted from the cost of the *Share* in computing any capital gains on disposals of *Income Shares*.

In the case of *Accumulation Shares*, no adjustment need be made to the cost of the *Share* for the purposes of capital gains tax.

Equalisation does not apply to *Shares* already held at the beginning of the accounting period. It applies only to *Shares* purchased during the relevant accounting period.

### **Accumulation Shares and income**

*Shareholders* holding *Accumulation Shares* will not receive income from their *Shares*. Any income is automatically accumulated and is reflected in the price of each *Accumulation Share*. No *Initial Charge* is levied on this accumulation. This does not affect the tax treatment of the accumulated income which will be taxed in the hands of the *Shareholder* as a distribution, in the same way as a normal distribution on an *Income Share* (for further information see the below sections). Tax vouchers for *Accumulation Shares* will be issued in respect of income earned and accumulated. Any income accumulated will be treated as an extra cost in calculating the profit arising on the disposal of the *Accumulation Shares* for capital gains tax purposes.

### **ISA (Individual Savings Account)**

It is possible to invest in all *Classes* of *Shares* in a *Fund* via an ISA. There are limits as to the amount that can be invested into an ISA in a tax year.

- **Distributions**

A distribution from *Shares* held via an ISA is not taxable.

- **Profits on disposal of Shares**

Any profits arising from the disposal of *Shares* held via an ISA are not taxable.

### **Other UK Resident Individual Shareholders – rates quoted are for tax-year 2017/2018**

- **Distributions and accumulations**

Depending on the income of the *Fund* itself, distributions may be either dividend distributions or interest distributions. Funds invested primarily in interest earning assets (such as gilts or bonds) will be considered to make interest distributions and this includes the Extra Income Fund and High Yield Fund.

With effect from 6 April 2016, the Dividend Tax Credit was replaced by a new tax-free Dividend Allowance of £5,000 (reducing to £2,000 from 6<sup>th</sup> April 2018). Dividend distributions or accumulations are received gross of tax and *Shareholders* receiving total dividend income of less than £5,000 in the tax year will have no further tax to pay.

For shareholders receiving total dividend income during the tax year in excess of £5,000:

- basic rate taxpayers will have to pay tax at 7.5% on the dividend income which exceeds £5,000.

- higher rate taxpayers will have to pay tax at 32.5% on the dividend income which exceeds £5,000.

- additional rate taxpayers will have to pay tax at 38.1% on the dividend income which exceeds £5,000.

With effect from 6 April 2016, HMRC introduced a tax-free Personal Savings Allowance of £1,000 (or £500 for higher rate taxpayers) in relation to interest earned on savings – which includes interest distributions from these *Funds*. In addition, non-taxpayers will pay no tax on any such interest earned.

With effect from 6 April 2017, interest distributions or accumulations are now received or accumulated gross, without the deduction of income tax.

### **Profits on disposal of Shares**

1. Profits arising on the disposal of *Shares* held in a *Fund* are subject to capital gains tax. Part of any increase in value of *Accumulation Shares* is accumulated income. This may be added to the acquisition cost when calculating the capital gain.
2. However, if the total gains realised from all sources by an individual *Shareholder* in a tax year, after deducting allowable losses, are less than the annual exemption (£11,300 for 2017/18), there is no tax to pay. If your total chargeable gains in any tax year are more than your annual exemption, capital gains tax will be payable at the applicable rate. For gains above the annual exemption, basic rate taxpayers are subject to capital gains tax at 10% and higher and additional rate taxpayers are subject to capital gains tax at 20%. We will not deduct capital gains tax on your behalf; you must declare any taxable gains to HM Revenue & Customs.
3. Capital gains tax may be payable if *Shares* are exchanged for *Shares* of a different *Fund*. The profit arising on such an exchange will be calculated by reference to the market value of the relevant *Shares* at the date of the exchange. If *Shares* in a *Fund* are exchanged for *Shares* in a different *Class* in the same *Fund*, capital gains tax should not be payable and the *Shares* should be treated as if they were acquired at the same time and in the same way as the *Original Shares* for capital gains tax purposes.

### **UK Resident Corporate Shareholders**

#### **• Distributions**

Depending on the income of the *Fund* itself, distributions may be either dividend distributions or interest distributions. Funds invested primarily in interest earning assets (such as gilts or bonds) will be considered to make interest distributions and this includes the Extra Income Fund and High Yield Fund.

1. Interest distributions should generally be received gross and are subject to corporation tax.

2. With effect from 6 April 2017, interest distributions will be paid gross, without the deduction of income tax.
3. Dividend distributions have to be split into that part which relates to franked investment income of the *Fund*, (which would generally include all dividend income of the *Fund*), and that part which relates to the other income and is classified as an annual payment. Where the *Fund* has obtained relief against its liability to corporation tax for foreign tax incurred, a proportionate part of such annual payment will be deemed to be foreign income with a credit for foreign tax.

- **Increase in value of Shares**

Any UK Resident Corporate Investor holding *Shares* in a *Fund* which at any time in the period fails to meet the “qualifying investments” test must treat the *Fund* holding as a creditor relationship. Generally, a *Fund* is considered to have failed the “qualifying investments” test if at some point during the accounting period the value of its interest paying investments (e.g. gilts and bonds) exceed 60% of the value of the *Fund*. Otherwise the holding will fall within the capital gains regime, so corporation tax will be payable on any subsequent chargeable gain realised on the disposal of the *Shares*. Indexation relief may reduce any such capital gain.

- **Profits on disposal of Shares**

1. Any profit arising on the disposal of *Shares* of a *Fund* that fails the “qualifying investments” test is subject to corporation tax under the rules for the taxation of loan relationships, and reflects any amounts already recognised under these rules.
2. Any profit arising on the disposal of *Shares* of a *Fund* that passes the “qualifying investments” test is subject to corporation tax on chargeable gains, but is reduced by indexation, which is based on increases in the Retail Price Index during the period of ownership.
3. As with individual UK resident *Shareholders* a tax charge can also arise if *Shares* are exchanged for *Shares* in a different *Fund*. Such a charge will not arise if one *Class* of *Share* is exchanged for another *Class* of *Shares* in the same *Fund*, except in the case of *Funds* that make interest distributions.

## **Compliance with tax reporting requirements**

As part of the process of buying *Shares*, and at various points throughout ownership of *Shares*, investors in a *Fund* will be required to provide the *ACD* (or its delegate) with any information that the *Company* or the *Fund* considers necessary to enable compliance with domestic (and any overseas) mandatory tax reporting obligations. This may be in addition to information required for anti-money laundering purposes.

The Foreign Account Tax Compliance Act (“**FATCA**”) provisions impose a US federal reporting and withholding tax regime with respect to certain US source income (including dividends and interest) and



proceeds from the sale or other disposal of property that can produce certain US source income. The regime will become effective in phases between 1 July 2014 and 1 January 2017.

The UK has entered into a Model 1 Intergovernmental Agreement (“**IGA**”) with the US. The *Company* will be obliged to comply with the provisions of FATCA under the terms of UK legislation implementing the UK/US IGA (the “**UK IGA Legislation**”). UK financial institutions that comply with the requirements of the UK IGA Legislation will be treated as compliant with FATCA and, as a result, will not be subject to withholding tax under FATCA (“FATCA Withholding”). The *Company* expects that it will be considered to be a UK financial institution that will need to comply with the requirements of the UK IGA Legislation and, as a result of such compliance, the *Company* should not be subject to FATCA Withholding. However, there can be no guarantee or assurance that the *Company* will be able to comply with all the requirements imposed by the UK IGA Legislation. In the event that the *Company* is not able to comply with the requirements imposed by the UK IGA Legislation, the *Company* may incur FATCA Withholding tax on certain withholdable payments, which may have an adverse effect on the net asset value of a *Fund* and/or the *Company*.

The scope and application of FATCA Withholding and information reporting pursuant to the terms of FATCA and the IGAs is subject to review by the US, UK and other IGA governments, and the rules may change. *Shareholders* should contact their own tax advisers regarding the application of FATCA to their particular circumstances.

As part of the UK Government’s continued commitment to increasing information exchange for tax purposes, the UK has entered into IGAs with its Crown Dependencies (Isle of Man, Guernsey and Jersey) and British Overseas Territories (including the Cayman Island, the British Virgin Islands, Bermuda, Anguilla, Turks and Caicos Islands, Montserrat and Gibraltar). The *Company* may therefore have similar reporting requirements in respect of these jurisdictions.

In addition, the OECD has released the final text of its Common Reporting Standard (“**CRS**”) which provides for an automatic exchange of information between all members of the OECD. The new legislation in respect of the CRS in the UK was implemented on 26 March 2015 with the first information exchanges in 2017.

In order to comply with its various tax reporting obligations, the *Company* may need to disclose identification and investment information relating to *Shareholders* to HM Revenue & Customs. This information may be exchanged with the IRS and the tax authorities in the Crown Dependencies and British Overseas Territories.

Shareholders shall provide information upon request from the *ACD*, *Company* or the *Fund* which relates to tax reporting requirements. Please note that the *ACD*, *Company* and the *Fund* will rely on self-certification provided by *Shareholders* with regard to their overseas tax status. *Shareholders* who are

concerned about their position are encouraged to consult with their own tax advisers regarding the possible implications of overseas tax reporting on their interest in a *Fund*.

## Winding up of the Company and Termination of Funds

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The *Company* may only be wound up and a *Fund* may only be terminated under the *COLL Sourcebook* or as an unregistered company under Part V of the Insolvency Act 1986.

Winding up of the *Company* or termination of a *Fund* under the *COLL Sourcebook* may only be commenced following approval by the *FCA*. The *FCA* may only give such approval if the *ACD* provides a statement (following a full enquiry into the affairs, business and property of the *Company* or the *Fund* (as the case may be)) either that the *Company* or the *Fund* will be able to meet its liabilities (including contingent and prospective) within 12 months of the date of the statement or that the *Company* or the *Fund* will be unable to do so. The *Company* or the *Fund* may not be wound up under the *COLL Sourcebook* if there is a vacancy in the position of the *ACD* at the relevant time.

Subject to the above, the *Company* or a *Fund* will be wound up or terminated under the *COLL Sourcebook*:

1. If an extraordinary resolution of the *Company* or the *Fund* (as the case may be) to that effect is passed by *Shareholders*; or
2. If the share capital of the *Company* is below its prescribed minimum or (in relation to any *Fund*) the *Net Asset Value* of the *Fund* is less than £1,000,000, or if a change in the laws or regulations of any country means that, in the *ACD*'s opinion, it is desirable to wind up the *Company* or to terminate the *Fund*; or
3. If the *FCA* agrees to a request by the *ACD* for the revocation of the authorisation order in respect of the *Company* or the relevant *Fund*.

Following the occurrence of any of the above:

1. *COLL* 6.2 (Dealing), *COLL* 6.3 (Valuation and Pricing) and *COLL* 5 (Investment and Borrowing Powers) will cease to apply to the *Company* or the particular *Fund*;
2. the *Company* will cease to issue and cancel *Shares* in the *Company* or the particular *Fund*;
3. the *ACD* shall cease to sell or redeem *Shares* or arrange for the *Company* to issue or cancel them for the *Company* or the particular *Fund*;

4. no transfer of a *Share* shall be registered and no other change to the *Register* shall be made without the sanction of the *ACD*;
5. where the *Company* is being wound-up, the *Company* shall cease to carry on its business except in so far as it is beneficial for the winding up of the *Company*;

The corporate status and powers of the *Company* and, subject to the provisions of 1 to 5 above, the powers of the *ACD* shall remain until the *Company* is dissolved.

Winding up under the *COLL Sourcebook* is carried out by the *ACD*. The *ACD* shall, as soon as practicable after the *Company* or the *Fund* falls to be wound up or terminated, realise the assets and meet the liabilities of the *Company* or the *Fund* (as the case may be) and, after paying or making adequate provisions for the costs of winding up and for all liabilities properly payable, may arrange for the *Depositary* to make one or more interim distributions out of the remaining *Funds* (if any) to *Shareholders* in proportion to their rights to participate in the *Scheme Property* of the *Company* or the *Fund*.

When the *ACD* has caused all the *Scheme Property* to be realised and all of the liabilities of the *Company* or the particular *Fund* known to the *ACD* to be realised, the *ACD* will arrange for the *Depositary* to make a final distribution to *Shareholders* on or prior to the date on which the final account is sent to *Shareholders* of any balance remaining (net of a provision for any future expenses of the *Company* or *Fund*) in proportion to their holdings in the *Company* or the particular *Fund*.

On completion of a winding up of the *Company*, the *Company* will be dissolved and any money (including unclaimed distributions) standing to the account of the *Company*, will be paid into court within one month of dissolution.

As soon as reasonably practicable after the completion of the winding up of the *Company*, the *Depositary* shall notify the *FCA* that the winding-up has been completed.

Following the completion of a winding up of the *Company* or termination of a *Fund*, the *ACD* must prepare a final account showing how the winding up was conducted and how the *Scheme Property* was distributed. The *Company's Auditors* shall make a report in respect of the final account stating their opinion as to whether the final account has been properly prepared. Within four months of the end of the final accounting period this final account and the *Auditors'* report must be sent to the *FCA*, and to each affected *Shareholder* (or the first named in the case of joint holders).

## General Information

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### Reports and Accounts

Annual reports of the *Company* will be published within four months of the end of each annual accounting period and half-yearly reports will be published within two months of the end of each half-yearly interim accounting period.

The reports and accounts for the *Company* are available on request from the *ACD* or on our customer web pages:

[http://personal.rbs.co.uk/personal/investments/existing-customers/Key\\_Customer\\_Documents.html](http://personal.rbs.co.uk/personal/investments/existing-customers/Key_Customer_Documents.html)

or

[http://personal.natwest.com/personal/investments/existing-customers/Key\\_Customer\\_Documents.html](http://personal.natwest.com/personal/investments/existing-customers/Key_Customer_Documents.html)

### Documents of the Company

The following documents may be inspected free of charge between 9am and 5pm on every *Business Day* at the offices of the *ACD* at 24-25 St Andrew Square, Edinburgh, EH2 1AF:

1. the most recent annual and half-yearly reports of the *Company*;
2. the most recent Prospectus of the *Company*.
3. the *Instrument of Incorporation* (and any amending instrument of incorporation);
4. the material contracts referred to below; and
5. information relating to the *Company's* risk management policy, quantitative limits and methods used and recent developments.

Copies of the above documents may be obtained from the above address. The *ACD* may make a charge at its discretion for copies of documents (other than those set out at 1 and 2 above).

### 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:

1. the *ACD Agreement* dated 11 September 2003 (as amended by deed dated 14 December 2006) between the *Company* and the *ACD*; and

2. the *Depositary Agreement* dated 14 and 15 July 2014 between the *Company*, the *ACD* and the *Depositary*.

## **Property**

There is no intention for the *Company* to have an interest in any immovable property or tangible moveable property.

## **Complaints**

Complaints may be referred to the *ACD* at PO BOX 9908, Chelmsford, Essex CM99 2AF or if you subsequently wish to take your complaint further, direct to the Financial Ombudsman Service at South Quay Plaza, 183 Marsh Wall, London E14 9SR.

Further details may be obtained from the Compliance officer of the *ACD* at RBS Collective Investment Funds Limited, 24-25 St Andrew Square, Edinburgh EH2 1AF.

## **Notices**

Notices and documents shall be sent to *Shareholders* at their registered address.

## Appendix I - Investment Objectives, Investment Policies and Share Classes

### EXTRA INCOME FUND

FCA Product Reference Number ("PRN"): 641928

| Investment Objective                          | Investment Policy  | Class of Share Available                   | Profile of Typical Investor  |
|---|--|--|--|
| To provide a high and stable level of income. | <p>The <i>Fund</i> will invest in UK and European fixed income securities.</p> <p>For liquidity management purposes the <i>Fund</i> may also invest in other transferable securities, deposits and units or shares in collective investment schemes.</p> | Net <i>Income Shares</i> in <i>Class 1</i> | This <i>Fund</i> is designed for retail investors who should have regard to the investment objective and policy of the <i>Fund</i> and the risks (see page 41) and should be prepared to invest for at least five years. |

### HIGH YIELD FUND

FCA Product Reference Number ("PRN"): 641929

| Investment Objective               | Investment Policy   | Class of Share Available                   | Profile of Typical Investor  |
|------------------------------------|---|--|--|
| To provide a high level of income. | <p>The <i>Fund</i> will invest in a portfolio of fixed interest securities, principally in securities issued by corporates and supranationals, preference shares and convertibles. The <i>Fund</i> will not be restricted to any particular geographic regions.</p> <p>For liquidity management purposes the <i>Fund</i> may also invest in other transferable securities, deposits and units or shares in collective investment schemes.</p> | Net <i>Income Shares</i> in <i>Class 1</i> | This <i>Fund</i> is designed for retail investors who should have regard to the investment objective and policy of the <i>Fund</i> and the risks (see page 41) and should be prepared to invest for at least five years. |

## EQUITY INCOME FUND

FCA Product Reference Number (“PRN”): 641930

| Investment Objective  | Investment Policy  | Class of Share Available                   | Profile of Typical Investor   |
|---|--|--|---|
| <p>To achieve a yield higher than the FT Actuaries All Share Index, with the prospect of rising income and growth in the value of shares.</p> | <p>The <i>Fund</i> will be invested in United Kingdom securities, principally in UK equities judged to offer high yields and long term growth prospects, with a small exposure to international equity and bond markets.</p> <p>For liquidity management purposes the <i>Fund</i> may also invest in other transferable securities, deposits and units or shares in collective investment schemes.</p> | <p><i>Net Income Shares in Class 1</i></p> | <p>This <i>Fund</i> is designed for retail investors who should have regard to the investment objective and policy of the <i>Fund</i> and the risks (see page 41) and should be prepared to invest for at least five years.</p> |



## BALANCED FUND

FCA Product Reference Number ("PRN"): 641933

| Investment Objective                       | Investment Policy   | Class of Share Available  | Profile of Typical Investor   |
|--|---|---|---|
| Long term capital appreciation and income. | <p>The <i>Fund</i> will invest in a mixed portfolio of equities and bonds. Allocations to bonds, equities and cash will vary over time. The <i>ACD</i> intends to place equal emphasis on the generation of income and capital growth. The <i>ACD</i> does not intend to pursue any particular geographic emphasis in investing the property.</p> <p>For liquidity management purposes the <i>Fund</i> may also invest in other transferable securities, deposits and units or shares in collective investment schemes.</p> | <p>Net <i>Income Shares</i> in <i>Class 1</i><br/>           Net <i>Accumulation Shares</i> in <i>Class 1</i></p> | <p>This <i>Fund</i> is designed for retail investors who should have regard to the investment objective and policy of the <i>Fund</i> and the risks (see page 41) and should be prepared to invest for at least five years.</p> |

## GROWTH FUND

FCA Product Reference Number ("PRN"): 641931

| Investment Objective            | Investment Policy  | Class of Share Available                                | Profile of Typical Investor   |
|---------------------------------|--|---|---|
| Long term capital appreciation. | <p>The <i>Fund</i> will invest principally in UK equities based on price and prospects of above average earnings growth. The <i>Fund</i> may have a small exposure to international equity and bond markets.</p> <p>For liquidity management purposes the <i>Fund</i> may also invest in other transferable securities, deposits and units or shares in collective investment schemes.</p> | <p>Net <i>Accumulation Shares</i> in <i>Class 1</i></p> | <p>This <i>Fund</i> is designed for retail investors who should have regard to the investment objective and policy of the <i>Fund</i> and the risks (see page 41) and should be prepared to invest for at least five years.</p> |

## INTERNATIONAL GROWTH FUND

FCA Product Reference Number (“PRN”): 641932

| Investment Objective                   | Investment Policy  | Class of Share Available                  | Profile of Typical Investor   |
|--|--|---|---|
| <p>Long term capital appreciation.</p> | <p>The <i>Fund</i> will invest in a well diversified portfolio of global shares. The <i>Fund</i> may be invested in any recognised stock exchange worldwide. There is no limit to the amount of the portfolio which may be invested in any one market.</p> <p>For liquidity management purposes the <i>Fund</i> may also invest in other transferable securities, deposits and units or shares in collective investment schemes.</p> | <p>Net Accumulation Shares in Class 1</p> | <p>This <i>Fund</i> is designed for retail investors who should have regard to the investment objective and policy of the <i>Fund</i> and the risks (see page 41) and should be prepared to invest for at least five years.</p> |

## Appendix II - Investment and Borrowing Powers and Restrictions

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### Investment Restrictions

The property of each *Fund* will be invested with the aim of achieving the investment objective of that *Fund* but at all times subject to

- (i) the limits on investment set out in *COLL* 5.2 to *COLL* 5.5 that are applicable to the UCITS Schemes (as summarised below); and
- (ii) the *Fund's* investment policy.

The *ACD* shall ensure that, taking into account the investment objective of a *Fund* and its investment policy, the property of each *Fund* aims to provide a prudent spread of risk.

These limits apply to each of the *Funds* as summarised below:

### General

The property of a *Fund* must, except where otherwise provided in *COLL* 5, only consist of any or all of:

1. transferable securities
2. units in collective investment schemes
3. *Derivatives* and forward transactions
4. deposits; and
5. movable and immovable property that is essential for the direct pursuit of the *Company's* business.

Transferable securities held within a *Fund* must:

1. be admitted to or dealt in on an eligible market in accordance with the rules of the *COLL Sourcebook*; or
2. be recently issued transferable securities, provided that 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.

Not more than 10% of the value of the *Scheme Property* of a *Fund* is to consist of transferable securities other than those referred to above.

### **Eligible Markets**

These are

1. regulated markets (as defined for the purposes of *COLL*); or
2. markets established in an *EEA State* which are regulated, operate regularly and are open to the public; or
3. markets which the *ACD*, after consultation with the *Depositary*, has decided are appropriate for the purpose of investment of or dealing in the property of a *Fund* having regard to the relevant criteria in the *COLL Sourcebook*. Such markets must operate regularly, be regulated, recognised, open to the public, adequately liquid and have adequate arrangements for unimpeded transmission of income and capital to, or to the order of, the investors.

The eligible securities markets for the *Funds* are set out in Appendix IV.

### **Spread**

The requirements on spread of investments do not apply until the expiry of a period of six months after the date of the authorisation order in respect of a *Fund* (or on which the initial offer commenced if later) provided that the requirement to maintain prudent spread of risk is complied with.

When a *Fund* invests in *Derivatives*, the exposure to the underlying assets must not exceed the spread limits referred to below. However, if a *Fund* invests in an index-based *Derivative*, the underlying constituents of the index do not have to be taken into account for this purpose, as long as the *ACD* in making such investments aims to maintain a prudent spread of risk.

- **Spread: general**

This section on spread of investment generally does not apply to government and public securities.

For the purpose of this section companies included in the same group for the purposes of consolidated accounts as defined in accordance with the Seventh Council Directive 83/349/EEC of 13<sup>th</sup> June 1983 based on Article 54(3) (g) of the Treaty in consolidated accounts or, in the same group in accordance with international accounting standards are regarded as a ("**Single Body**").

Not more than 20% in the value of the *Scheme Property* can consist of deposits with a *Single Body*. In applying this 20% limit, all uninvested cash comprising capital property that the *Depositary* holds should be taken into account.

Not more than 5% in value of the *Scheme Property* is to consist of transferable securities, issued by any *Single Body* except that the limit of 5%

i) is raised to 10% in respect of up to 40% in value of the *Scheme Property*. Covered bonds need not be taken into account for the purpose of applying the limit of 40%.

ii) is raised to 25% in value of *Scheme Property* 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 held must not exceed 80% in value of the *Scheme Property*.

For these purposes certificates representing certain securities are treated as equivalent to the underlying security.

The exposure to any one counterparty in an OTC *Derivative* transaction must not exceed 5% of the *Net Asset Value* of a *Fund*. This limit is raised to 10% where the counterparty is an *Approved Bank*. When calculating the exposure to a counterparty in accordance with these limits, the positive mark-to-market value of the OTC *Derivative* contract with that counterparty must be used.

OTC *Derivative* positions with the same counterparty may be netted, provided:

(a) the *ACD* is able legally to enforce netting agreements with the counterparty on behalf of the *Company*; and

(b) the netting agreements in (a) do not apply to any other exposures the *Company* may have with that same counterparty.

The exposure of the *Scheme Property* to a counterparty of an OTC *Derivative* may be reduced through the receipt of collateral. Collateral received must be sufficiently liquid so that it can be sold quickly at a price that is close to its pre-sale valuation.

Collateral must be taken into account in calculating exposure to counterparty risk in accordance with the limits above when collateral is passed to the counterparty of an OTC *Derivative* transaction on behalf of the *Company*. Such collateral may be taken into account on a net basis only if the *ACD* is able legally to enforce netting arrangements with this counterparty on behalf of the *Company*.

The issuer concentration limits referred to above must be calculated on the basis of the underlying exposure created through the use of OTC *Derivatives* in accordance with the commitment approach.

Not more than 20% in value of the *Scheme Property* is to consist of transferable securities issued by the same group.

Not more than 20% in value of a *Fund* may consist of units in any one collective investment scheme.

In applying the above limits not more than 20% in value of the *Scheme Property* is to consist of any combination of two or more of the following:

1. transferable securities (including covered bonds) issued by; or
2. deposits made with; or
3. exposure from OTC *Derivative* transactions made with;

a *Single Body*.

In applying this 20% limit, government and public securities issued by that body shall be taken into account

In relation to exposures arising from OTC *Derivative* transactions referred to above, any counterparty risk relating to the OTC *Derivative* transaction must be included in the calculation.

- **Spread : Government and Public Securities**

The following applies to transferable securities ("**Such 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.

Where no more than 35% of the *Scheme Property* is invested in *Such Securities* issued by any one body, there is no limit on the amount of the *Scheme Property* which may be invested in *Such Securities* or in any one issue.

Notwithstanding the foregoing and except where the investment policy of any *Fund* is inconsistent with this, up to 100% of the *Scheme Property* may be invested in *Such Securities* issued or guaranteed by a single state, local authority or public international body which may be any one of the issuers set out in Appendix III.

A *Fund* may invest more than 35% in value of the *Scheme Property* in *Such Securities* issued by any one body provided that:

1. the *ACD* has before any such investment is made consulted with the *Depositary* and as a result considers that the issuer of *Such Securities* is one which is appropriate in accordance with the investment objectives of the *Fund*;
2. up to 30% in value of the *Scheme Property* consists of *Such Securities* of any one issue;
3. the *Scheme Property* includes *Such Securities* issued by that or another issuer, of at least six different issues;
4. the disclosures required by the *FCA* have been made.

The investments of *Funds* investing principally in fixed income securities will be limited to investments, any income on which is not taxable otherwise than under Case III of Schedule D of the Income and Corporation Taxes Act 1988 only, and which are not chargeable to ad valorem stamp duty on transfer.

## **Investment in transferable securities**

(1) A *Fund* may invest in a transferable security only to the extent that the transferable security fulfils the following:

(a) the potential loss which a *Fund* may incur with respect to holding the transferable security is limited to the amount paid for it;

(b) its liquidity does not compromise the ability of the *ACD* to comply with its obligation to redeem *Shares* at the request of the qualifying *Shareholder*;

(c) reliable valuation is available for it as follows:

(i) in the case of a transferable security admitted to or dealt in on an eligible market, where there are accurate, reliable and regular prices which are either market prices or prices made available by valuation systems independent from issuers;

(ii) in the case of a transferable security not admitted to or dealt in on an eligible market, where there is a valuation on a periodic basis which is derived from information from the issuer of the transferable security or from competent investment research;

(d) appropriate information is available for it as follows:

(i) in the case of a transferable security admitted to or dealt in on an eligible market, where there is regular, accurate and comprehensive information available to the market on the transferable security or, where relevant, on the portfolio of the transferable security;

(ii) in the case of a transferable security not admitted to or dealt in on an eligible market, where there is regular and accurate information available to the *ACD* on the transferable security, or, where relevant, on the portfolio of the transferable security;

(e) it is negotiable; and

(f) its risks are adequately captured by the risk management process of the *ACD*.



(2) Unless there is information available to the *ACD* that would lead to a different determination, a transferable security which is admitted to or dealt in on an eligible market shall be presumed:

(a) not to compromise the ability of the *ACD* to comply with its obligation to redeem units at the request of any qualifying *Shareholder*; and

(b) to be negotiable.

(3) A *Fund* may invest in any other investment which shall be taken to be a transferable security for the purposes of investment by a UCITS scheme provided the investment:

(a) fulfils the criteria for transferable securities set out above; and

(b) is backed by or linked to the performance of other assets, which may differ from those in which a *Fund* may invest.

Where an investment in (3) above contains an embedded *Derivative* component, the requirements of the *COLL Sourcebook* with respect to *Derivatives* and forwards will apply to that component.

## **Investment in Collective Investment Schemes**

Up to 100% in value of the *Scheme Property* of a *Fund* may be invested in units or shares in other collective investment schemes provided that the second scheme satisfies all of the following conditions and provided that no more than 30% of the value of the *Fund* is invested in second schemes of the type described in 1(b) to (e) below:

1. The second scheme must:
  - (a) satisfy the conditions necessary for it to enjoy the rights conferred by the *UCITS Directive*; or
  - (b) be a recognised scheme under the provisions of section 272 of the *Act* that is authorised by the supervisory authorities of Guernsey, Jersey or the Isle of Man (provided that the requirements of Article 50(1)(e) of the UCITS Directive are met; or

- (c) be authorised as a non-UCITS retail scheme (providing the requirements of Article 50(1)(e) of the *UCITS Directive* are met); or
  - (d) be authorised in another *EEA State* provided the requirements of Article 50 (1)(e) of the *UCITS Directive* are met; or
  - (e) be authorised by the competent authority of an *OECD* member country (other than another *EEA State*) which has:
    - (i) signed the *IOSCO* Multilateral Memorandum of Understanding; and
    - (ii) approved the scheme's management company, rules and depositary/custody arrangements;

(provided the requirements of article 19(1)(e) of the *UCITS Directive* are met).
2. the second scheme must comply, where relevant, with *COLL* 5.2.15 (investment in associated collective investment schemes) and *COLL* 5.2.16 (investment in group companies)
  3. the second scheme must have terms which prohibit it from investing more than 10% in value of its *Scheme Property* in units in collective investment schemes.

where the second scheme is an umbrella, the provisions in 2. and 3. above and in Spread: general above apply to each sub-*Fund* as if it were a separate scheme.

Subject to the limitations set out in this section, a *Fund* may invest in or dispose of units or shares in a collective investment scheme which is managed or operated by the *ACD* or an *Associate* of the *ACD* as long as no charge is made in respect of the investment or disposal of units or shares and as long as the *ACD* is obliged to pay to the *Fund* within the time specified in the *COLL Sourcebook* any amount by which the price paid for the units in the second scheme exceeds the price that would have been received by the second scheme had the units or shares been newly issued or sold by it (or if the *ACD* cannot ascertain that amount, the amount of the maximum charge permitted to be made by the seller of units or shares in the second scheme) or on a disposal of units, the amount of any charge made by the manager or

operator of the second scheme or an *Associate* in respect of the disposal. Investors should be aware that an annual management charge may be levied in respect of the second as well as the first scheme.

### **Investment in nil and partly paid securities**

A transferable security on which any sum is unpaid falls within a power of investment only if it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by the *Company* at any time when the payment is required without contravening the *COLL Sourcebook*.

### **Deposits**

A *Fund* may invest in deposits only with an *Approved Bank* and which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months.

### **Derivatives and forward transactions**

The *Company* may use its property to enter into certain *Derivative* transactions (permitted transactions) insofar as their use is consistent with the stated objectives and policies of the *Fund*.

Permitted transactions (excluding stock lending arrangements) are transactions in *Derivatives* (i.e. options, futures or contracts for differences) dealt in or traded on an eligible *Derivatives* market; or synthetic futures in certain circumstances, or a forward transaction in a currency or OTC transactions.

The *ACD* must ensure that its global exposure relating to the *Derivatives* and forward transactions held in the scheme does not exceed the net value of the *Scheme Property*. The global exposure must be calculated on at least a daily basis. Exposure must be calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the position. The *ACD* uses the commitment approach to calculate global exposure for all *Funds*. The commitment approach converts each financial *Derivative* instrument position into the market value of an equivalent position in the underlying asset of that *Derivative*. The *ACD* has selected this method as being appropriate, taking into account the investment strategy of the *Funds*, the types and complexities of the *Derivatives* and forward transactions used and the proportion of the *Scheme Property* comprising *Derivatives* and forward transactions.

The *Company* may enter into approved *Derivatives* transactions on *Derivatives* markets which are eligible. Eligible *Derivatives* markets are those which the *ACD* after consultation with the *Depositary* has decided are appropriate for the purpose of investment of or dealing in the *Scheme Property* with regard to the relevant criteria set out in the *COLL Sourcebook*.

The eligible *Derivatives* markets for the relevant *Funds* of the *Company* are set out in Appendix IV.

A transaction in a *Derivative* or forward transaction must:

1.
  - (a) be in an approved *Derivative* effected on or under the rules of an eligible *Derivatives* market; or
  - (b) if an OTC *Derivative*, be in a future, an option or a contract for differences which must be entered into with a counterparty that is acceptable in accordance with the *COLL Sourcebook*, must be on approved terms as to valuation, sale, liquidation and close out and must be capable of reliable valuation, and be subject to verifiable valuation; and
  - (c) in the case of a forward transaction, be made with an *Eligible Institution* (as defined in the *FCA Glossary of terms*) or an *Approved Bank*.
2. have the underlying consisting of any or all of the following to which the *Fund* is dedicated:
  - (a) permitted transferable securities;
  - (b) permitted deposits;
  - (c) permitted *Derivatives*;
  - (d) permitted collective investment scheme units;
  - (e) financial indices(which meet the criteria set out in the *COLL Sourcebook*);
  - (f) interest rates;
  - (g) foreign exchange rates; and
  - (h) currencies.

3. must not cause a *Fund* to diverge from its investment objectives, must not be entered into if the intended effect is to create the potential for an uncovered sale of one or more transferable securities, units in collective investment schemes, or *Derivatives* provided that a sale is not to be considered as uncovered if the *COLL Sourcebook's* "requirement to cover sales" conditions are satisfied.

A *Derivatives* or forward transaction which would or could lead to delivery of *Scheme Property* to the *Depositary* for the account of a *Fund* may be entered into only if such *Scheme Property* can be held for the account of a *Fund*, and the *ACD* having taken reasonable care determines that delivery of the property pursuant to the transaction will not lead to a breach of the *COLL Sourcebook*.

The exposure to the underlying assets through investment in *Derivatives* must not exceed the limits set out in Spread above. Where a transferable security embeds a *Derivative*, this must be taken into account for the purposes of complying with these limits.

### **Efficient Portfolio Management**

In the case of each of the *Funds*, the use of *Derivative* transactions is limited to *Efficient Portfolio Management* techniques as described below ("***Efficient Portfolio Management***").

*Efficient Portfolio Management* must satisfy three broadly based requirements:

1. A transaction must be one which (along or in combination with one or more other) is reasonably believed by the *ACD* to be economically appropriate to the *Efficient Portfolio Management* of the Scheme. This means that, for transactions undertaken to reduce risk or cost (or both), the transaction (alone or in combination) will diminish a risk or cost of a kind or level which it is sensible to reduce and, for a transaction undertaken to generate additional capital or income, the Scheme is certain (or certain barring events which are not reasonably foreseeable) to derive a benefit from the transaction.

*Efficient Portfolio Management* may not include transactions which may reasonably be regarded as speculative.

2. The purpose of permitted *Derivative* transaction for the Scheme must be to achieve one of the following aims in respect of the Scheme:

- (a) **Reduction of risk.** One example of how the use of permitted transactions would achieve this aim is in the use of cross-currency hedging where all or part of the currency exposure of the *Scheme Property* may be switched away from a currency the *ACD* considers unduly prone to risk, to another currency. Another example is the use of permitted transactions in tactical asset allocation, which permits the *ACD* to undertake a switch in exposure of types of assets by use of *Derivatives*, rather than through sale and purchase of the *Scheme Property*.
- (b) **Reduction of cost.** The aims of reduction of risk or cost, together or separately, allow the *ACD* on a temporary basis to use the technique of tactical asset allocation. If a transaction for the Scheme relates to the acquisition or potential acquisition of transferable securities, the *ACD* must intend that the Scheme 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) **The generation of additional capital or income for the Scheme with no, or an acceptably low level of, risk which is consistent with the Scheme's risk profile and the risk diversification rules laid down in the COLL Sourcebook.** There is an acceptably low level of risk in any case where the *ACD* reasonably believes that the Scheme is certain (or certain barring events which are not reasonably foreseeable) to derive a benefit. The generation of additional capital or income may arise out of taking advantage of price imperfections or from the receipt of a premium for writing of covered call or covered put options (even if the benefit is obtained at the expense of the chance of yet greater benefit).

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

3. The maximum exposure of each permitted transaction must be fully covered “globally” by *Scheme Property*. *Scheme Property* the subject of a stocklending arrangement is only available for cover if reasonable care has been taken to determine that it is obtainable (by return or re-acquisition) in time to meet the obligation for which cover is required.

- **Requirement to cover sales**

No agreement by or on behalf of the *Company* 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 *Company* by delivery of property or the assignment (or, in Scotland, assignation) of rights, and (b) the property and rights above are owned by the *Company* at the time of the agreement. This requirement does not apply to a deposit. In the *FCA*’s view, the requirement in (a) above can be met where:

1. 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
2. the *ACD* 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:
  - (a) cash;
  - (b) liquid debt instruments (e.g. government bonds of first credit rating) with appropriate safeguards (in particular, haircuts); or
  - (c) 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).

Within these asset classes, 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.

- **OTC transactions in Derivatives**

Any transaction in an OTC *Derivative* must be:

1. with an approved counterparty; A counterparty to a transaction in *Derivatives* is approved only if the counterparty is an *Eligible Institution* or an *Approved Bank*; or a person whose permission (including any requirements or limitations), as published in the *FCA Register* or whose Home State authorisation, permits it to enter into the transaction as principal off-exchange;
2. on approved terms; the terms of the transaction in *Derivatives* are approved only if, the *ACD* carries out at least daily, a reliable and verifiable valuation in respect of that transaction corresponding to its fair value and which does not rely only on market quotations by the counterparty; and can enter into one or more further transactions to sell, liquidate or close out that transaction at any time, at its fair value. For the purposes of this paragraph 2, “fair value” is the amount for which an asset could be exchanged, or a liability settled between knowledgeable, willing parties in an arm’s length transaction. Also for the purposes of this paragraph 2, 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
3. capable of reliable valuation; a transaction in *Derivatives* is capable of reliable valuation only if the *ACD* having taken reasonable care determines that, throughout the life of the *Derivative* (if the transaction is entered into), it will be able to value the investment concerned with reasonable accuracy: on the basis of an up to date market value which the *ACD* and the *Depositary* have agreed is reliable, or, if this value is not available on the basis of a pricing model which the *ACD* and *Depositary* have agreed uses an adequate recognised methodology.



4. subject to verifiable valuation; a transaction in *Derivatives* is subject to verifiable valuation only if, throughout the life of the *Derivative* (if the transaction is entered into) verification of the valuation is carried out by:
  - (a) an appropriate third party which is independent from the counterparty of the *Derivative*, at an adequate frequency and in such a way that the authorised fund manager is able to check it; or
  - (b) a department within the authorised fund manager which is independent from the department in charge of managing the *Scheme Property* and which is adequately equipped for such a purpose.

**The fair value of the *Derivatives* will take into account the possibility they may have limited liquidity and possibly higher price volatility.**

A copy of the *ACD's* risk management policy in relation to permitted *Derivative* transactions is available upon request by writing to the *ACD* at PO BOX 9908, Chelmsford, Essex CM99 2AF

### **Cash and Near Cash**

Cash or near cash must not be retained in the *Scheme Property* except in order to enable:

1. the pursuit of the *Fund's* investment objective;
2. redemption of *Shares* in that *Fund*;
3. efficient management of the *Fund* in accordance with its investment objective; or
4. for a purpose which may reasonably be regarded as ancillary to the investment objectives of that *Fund*.

## **Risk Management**

The *ACD* must use a risk management process enabling it to monitor and measure as frequently as appropriate the risk of a *Fund's* positions and their contribution to the overall risk profile of the *Fund*.

## **Significant Influence**

The *Company* may not acquire transferable securities issued by a body corporate and carrying rights to vote (whether or not on substantively all matters) at a general meeting of that body if:

1. immediately before the acquisition the aggregate number of such securities held by the *Company* gives the *Company* power significantly to influence the conduct of the business of that body corporate; or
2. the acquisition gives the *Company* that power.

For the purposes of the above paragraph, the *Company* is to be taken to have power significantly to influence the conduct of business of a body corporate if it can, because of the transferable securities held by it, exercise or control the exercise of 20% or more of the voting rights in that body corporate (disregarding for this purpose any temporary suspension of voting rights in respect of the transferable securities of that body corporate).

## **Concentration**

The *Company*:

1. must not acquire transferable securities other than debt securities which
  - (a) do not carry a right to vote on any matter at a general meeting of the body corporate that issued them; and
  - (b) represent more than 10 % of these securities issued by that body corporate;
2. must not acquire more than 10 % of the debt securities issued by any *Single Body*;
3. must not acquire more than 25 % of the units in a collective investment scheme;

and

4. need not comply with these limits if, at the time of acquisition, the net amount in issue of the relevant investment cannot be calculated.

### **Stock lending and Repo contracts**

Stocklending is an arrangement where the *Company* or the *Depositary* delivers securities which are the subject of the transaction in return for which it is agreed that securities of the same kind and amount be redelivered to the *Company* or the *Depositary* at a later date. The *Company* or the *Depositary* at the time of delivery receives collateral to cover against the risk of the future redelivery not being completed.

A repo contract is an agreement between a seller and a buyer for the purchase or sale of securities, under which the seller agrees to repurchase the securities or equivalent securities, or the buyer agrees to resell the securities or equivalent securities, at an agreed date and, usually, at a stated price.

The *Company* or the *Depositary* at the *Company's* request, may enter into stocklending transactions (involving a disposal of securities in a *Fund* and re-acquisition of equivalent securities) or repo contracts when it reasonably appears to the *Company* to be appropriate to do so with a view to generating additional income for the relevant *Fund* with an acceptable degree of risk.

Such transactions must always comply with conditions set out in the *COLL Sourcebook*, which require (inter alia) that:

1. the stock lending transaction or repo contract must be of a kind described in Section 263B of the Taxation of Chargeable Gains Act 1992;
2. the terms of the agreement under which the *Depositary* is to re-acquire the securities for the account of the *Company* must be acceptable to the *Depositary* and in accordance with good market practice;
3. the counterparty must be acceptable in accordance with the *COLL Sourcebook*.
4. the high quality and liquid collateral obtained must be acceptable to the *Depositary* and must also be adequate and sufficiently immediate as set down in the *COLL Sourcebook*.

## **Underwriting and Stock Placings**

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

## **Borrowing Powers**

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

Borrowing must be on a temporary basis and must not be persistent.

The *ACD* must ensure that no period of borrowing exceeds 3 months without the prior consent of the *Depositary*, which may be given only on such conditions as appear appropriate to the *Depositary* to ensure that the borrowing does not cease to be on a temporary basis.

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

These borrowing restrictions do not apply to “back-to-back” borrowing for cover for transactions in *Derivatives* and forward transactions.

## **General**

No *Fund* may invest in the *Shares* of another *Fund* within the *Company*.

A potential breach of any of these limits does not prevent the exercise of rights conferred by the investments held by the *Fund* if the consent of the *Depositary* is obtained in writing but, in the event of a consequent breach, the *ACD* must then take such steps as are necessary to restore compliance with the investment limits as soon as practicable having regard to the interests of *Shareholders*.

## Appendix III - Government and Public Securities Issuers

| Government and Public Securities issued by or on behalf of or guaranteed by the following Governments: |               |                          |
|--|---------------|--------------------------|
| Australia  | Greece        | New Zealand              |
| Austria  | Iceland       | Northern Ireland         |
| Belgium  | Ireland       | Norway                   |
| Canada   | Italy         | Portugal                 |
| Denmark  | Japan         | Spain                    |
| Finland  | Liechtenstein | Sweden                   |
| France   | Luxembourg    | Switzerland              |
| Germany  | Netherlands   | United Kingdom           |
|  |               | United States of America |

| Public securities issued by the following bodies (or, in each case, any successor organisation): |  |   |
|--|--|---|
| Asian Development Bank (ADB)   | European Bank of Reconstruction and Development (EBRD)       | International Finance Corporation (IFC) |
| the African Development Bank (AFDB)  | European Investment Bank (EIB)                               | Inter American Development Bank (IADB)  |
| Council of Europe Development Bank   | Eurofima   | Kreditanstalt Fuer Wiederaufbau (KfW)   |
| Deutsche Ausgleichsbank (DTA)  | International Bank for Reconstruction and Development (IBRD) | LCR Finance plc                         |
|  |  | Nordic Investment Bank (NIB)            |

## Appendix IV - Eligible Securities Markets and Eligible Derivatives Markets

### Eligible Markets

A securities or derivatives market is an eligible market if it is a regulated market (as defined for the purposes of *COLL*), a market in a state within the European Economic Area which is regulated, operates regularly and is open to the public, or, without limitation, any market listed below plus any past or future component exchanges / acquirers thereof.

### Eligible Securities Markets

In respect of the Extra Income Fund, the High Yield Fund, the Equity Income Fund, the Growth Fund and the International Growth Fund :

|                        |  |
|------------------------|--|
| in Argentina           | the Buenos Aires Stock Exchange  |
| in Australia           | the Australian Securities Exchange   |
| in Brazil              | BM&FBOVESPA  |
| in Canada              | the Toronto Stock Exchange   |
| in Hong Kong           | The Stock Exchange of Hong Kong  |
| in Indonesia           | the Indonesian Stock Exchange  |
| in Japan               | the Tokyo Stock Exchange<br>the Osaka Securities Exchange<br>the JASDAQ<br>the Nagoya Stock Exchange |
| in Malaysia            | the Bursa Malaysia   |
| in Mexico              | the Bolsa Mexicana de Valores  |
| in New Zealand         | the New Zealand Stock Exchange   |
| in Pakistan            | the Pakistan Stock Exchange  |
| in the Philippines     | the Philippines Stock Exchange   |
| in Singapore           | the Singapore Exchange   |
| in the Slovak-Republic | the Bratislava Stock Exchange  |
| in South Africa        | the Johannesburg Stock Exchange  |
| in South Korea         | the Korea Exchange   |
| in Sri Lanka           | the Colombo Stock Exchange   |

|                       |   |
|-----------------------|---|
| in Switzerland        | SIX Swiss Exchange  |
| in Taiwan             | the Taiwan Stock Exchange   |
| in Thailand           | the Stock Exchange of Thailand (Bangkok)  |
| in Turkey             | the Istanbul Stock Exchange   |
| in the United Kingdom | Alternative Investment Market   |
| in the United States  | NASDAQ<br>NASDAQ OMX PHLX<br>NASDAQ OMX BX<br>NYSE<br>NYSE National<br>the Chicago Stock Exchange |

**In respect of the Balanced Fund:**

|                    |  |
|--------------------|--|
| in Argentina       | the Buenos Aires Stock Exchange  |
| in Australia       | the Australian Securities Exchange   |
| in Brazil          | BM&FBOVESPA  |
| in Canada          | the Toronto Stock Exchange   |
| in Hong Kong       | the Stock Exchange of Hong Kong Limited  |
| in Indonesia       | the Indonesian Stock Exchange  |
| in Japan           | the Tokyo Stock Exchange<br>the Osaka Securities Exchange<br>the JASDAQ<br>the Nagoya Stock Exchange |
| in Malaysia        | the Bursa Malaysia   |
| in Mexico          | the Bolsa Mexicana de Valores  |
| in New Zealand     | the New Zealand Stock Exchange   |
| in Pakistan        | the Pakistan Stock Exchange  |
| in the Philippines | the Philippines Stock Exchange   |
| in Singapore       | the Singapore Exchange   |
| in South Africa    | the Johannesburg Stock Exchange  |
| in South Korea     | the Korea Exchange   |
| in Sri Lanka       | the Colombo Stock Exchange   |

|                       |  |
|-----------------------|--|
| in Switzerland        | SIX Swiss Exchange   |
| in Taiwan             | the Taiwan Stock Exchange  |
| in Thailand           | the Stock Exchange of Thailand (Bangkok)   |
| in Turkey             | the Istanbul Stock Exchange  |
| In the United Kingdom | Alternative Investment Market  |
| in the United States  | NASDAQ<br>ICE Futures US<br>NASDAQ OMX BX<br>the Chicago Stock Exchange<br>NYSE National |

### Eligible Derivatives Markets

**In respect of the Extra Income Fund, the High Yield Fund, the Equity Income Fund and the Growth Fund:**

|                       |   |
|-----------------------|---|
| in Australia          | the Australian Securities Exchange  |
| in Canada             | the Montreal Exchange   |
| EUREX                 | the EUREX   |
| LIFFE                 | ICE Futures US  |
| in Hong Kong          | the Hong Kong Futures Exchange  |
| in Japan              | the Tokyo Stock Exchange<br>the Osaka Securities Exchange   |
| in Singapore          | the Singapore Exchange  |
| in Spain              | Mercado Español de Futuros Financieros (MEFF)   |
| in the United Kingdom | Turquoise Derivatives   |
| in the United States  | the Chicago Board of Trade<br>the Chicago Mercantile Exchange<br>the Kansas City Board Trade<br>the Chicago Board of Options Exchange Chicago<br>ICE Futures USNASDAQ OMX |

**In respect of the Balanced Fund and the International Growth Fund:**



|                       |  |
|-----------------------|--|
| in Argentina          | the Buenos Aires Stock Exchange  |
| in Australia          | the Australian Securities Exchange   |
| in Brazil             | BM&FBOVESPA  |
| EUREX                 | the EUREX  |
| LIFFE                 | ICE Futures US   |
| in Hong Kong          | the Hong Kong Futures Exchange   |
| in Indonesia          | the Indonesian Stock Exchange  |
| in Japan              | the Tokyo Stock Exchange<br>the Osaka Securities Exchange  |
| in Malaysia           | the Bursa Malaysia   |
| in New Zealand        | the New Zealand Stock Exchange   |
| in Poland             | the Warsaw Stock Exchange  |
| in Singapore          | the Singapore Exchange   |
| in South Africa       | the Johannesburg Stock Exchange  |
| in South Korea        | the Korea Exchange   |
| in Spain              | Mercado Español de Futuros Financieros (MEFF)  |
| in Switzerland        | SIX Swiss Exchange   |
| in Taiwan             | the Taiwan Stock Exchange  |
| in Thailand           | the Stock Exchange of Thailand (Bangkok)   |
| in the United Kingdom | Turquoise Derivatives  |
| in the United States  | the Chicago Board of Trade<br>the Chicago Mercantile Exchange<br>the Kansas City Board of Trade<br>the Chicago Board Options Exchange<br>ICE Futures USNYSE Amex Options (NYSE MKT)<br>NASDAQ OMX PHLX |

## Appendix V

### ICVCs and Authorised Unit Trusts Managed by the ACD

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The ACD of the *Company* is also the ACD of the following ICVCs which are authorised by the FCA.

| ICVC                                 | Funds Available  |
|--------------------------------------|--|
| RBS Stakeholder Investment Fund ICVC | RBS Stakeholder Investment Fund  |
| RBS Investment Options ICVC          | Income Fund<br>Cautious Growth Fund<br>Balanced Growth Fund<br>Adventurous Growth Fund<br>Your Portfolio Fund II<br>Your Portfolio Fund III<br>Your Portfolio Fund IV<br>Your Portfolio Fund V<br>Your Portfolio Fund VI |

## Appendix VI - Past Performance

The performance shown in the tables below is for a *Fund* not a product so any performance your investment achieves will be affected by the product charges. **Please do not take past performance as a guide to future performance. The value of your investment and any income you receive from it can go down as well as up. You may get back less than the amount you originally invested.**

Source for all figures: Lipper Hindsight. All performance figures are on a total return basis, net of tax, income reinvested to 31 December 2016. **The figures do not include the effect of any redemption fees.**

**Share Class 1** - Yearly performance figures over five years or for the years since launch where a *Fund* was launched within 5 years

| Fund                                | % Growth                  |                           |                           |                           |                           |
|-------------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
|                                     | 1/1/2016 to<br>31/12/2016 | 1/1/2015 to<br>31/12/2015 | 1/1/2014 to<br>31/12/2014 | 1/1/2013 to<br>31/12/2013 | 1/1/2012 to<br>31/12/2012 |
| Balanced (Income)                   | +11.9                     | +3.6                      | +4.8                      | +11.7                     | +11.6                     |
| Balanced (Accumulation)             | +11.9                     | +3.6                      | +4.8                      | +11.7                     | +11.6                     |
| Growth (Accumulation)               | +10.2                     | +9.0                      | +0.4                      | +24.5                     | +13.4                     |
| Extra Income (Income)               | +8.1                      | -0.6                      | +10.5                     | +0.1                      | +13.3                     |
| International Growth (Accumulation) | +19.6                     | +3.8                      | +8.4                      | +22.8                     | +8.0                      |
| High Yield (Income)                 | +9.7                      | +0.2                      | +9.5                      | +4.3                      | +17.5                     |
| Equity Income (Income)              | +10.0                     | +6.2                      | +2.0                      | +25.5                     | +16.9                     |

## Appendix VII- Directors of the ACD

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### Directors of the ACD and their main business activities not connected with the business of the ACD

| <b>Director</b>         | <b>Other Directorships</b>  |
|-------------------------|---|
| <b>Dickson Anderson</b> |   |
| <b>Benjamin Hunt</b>    | RBS Asset Management Holdings<br>RBS Asset Management (ACD) Limited   |
| <b>Ian McLaughlin</b>   | The Royal Bank of Scotland Group Independent<br>Financial Services Limited<br>RBSG Collective Investments Nominees Limited                                  |
| <b>Brian McCrindle</b>  | National Westminster Home Loans Limited<br>RBSG Collective Investments Holdings Limited<br>RBSG Collective Investments Limited<br>RBS Life Holdings Limited |

## Appendix VIII- List of Subcustodians and other delegates

| Market            | Subcustodian   | Cash Correspondent Bank                                      |
|-------------------|--|--|
| <b>ARGENTINA</b>  | HSBC Bank Argentina S.A.<br>Avenida Martin Garcia 464, 5th Floor<br>C 1268ABN Buenos Aires<br>ARGENTINA                                | HSBC Bank Argentina S.A.<br>Buenos Aires                     |
| <b>AUSTRALIA</b>  | JPMorgan Chase Bank, N.A.**<br>Level 19, 55 Collins Street<br>Melbourne 3000<br>AUSTRALIA  | Australia and New Zealand Banking<br>Group Ltd.<br>Melbourne |
| <b>AUSTRIA</b>    | UniCredit Bank Austria AG<br>Julius Tandler Platz- 3<br>A-1090 Vienna<br>AUSTRIA   | J.P. Morgan AG**<br>Frankfurt am Main                        |
| <b>BAHRAIN</b>    | HSBC Bank Middle East Limited<br>1st Floor, Building No 2505, Road No 2832<br>AL Seef 428<br>BAHRAIN                                   | HSBC Bank Middle East Limited<br>Al Seef                     |
| <b>BANGLADESH</b> | Standard Chartered Bank<br>Portlink Tower<br>Level-6, 67 Gulshan Avenue<br>Gulshan<br>Dhaka -1212<br>BANGLADESH                        | Standard Chartered Bank<br>Dhaka                             |
| <b>BELGIUM</b>    | BNP Paribas Securities Services S.C.A.<br>Boulevard Louis Schmidt 2<br>3rd Floor<br>1 040 Brussels<br>BELGIUM                          | J.P. Morgan A.G.**<br>Frankfurt am Main                      |
| <b>BERMUDA</b>    | HSBC Bank Bermuda Limited<br>6 Front Street<br>Hamilton HM 11<br>BERMUDA   | HSBC Bank Bermuda Limited<br>Hamilton                        |
| <b>BOTSWANA</b>   | Standard Chartered Bank Botswana Limited<br>5th Floor, Standard House<br>P.O. Box 496<br>Queens Road, The Mall<br>Gaborone<br>BOTSWANA | Standard Chartered Bank Botswana<br>Limited<br>Gaborone      |
| <b>BRAZIL</b>     | J.P. Morgan S.A. DTVM**<br>Av. Brigadeiro Faria Lima. 3729, Floor 06<br>Sao Paulo SP 04538-905<br>BRAZIL                               | J.P. Morgan S.A. DTVM**<br>Sao Paulo                         |
| <b>BULGARIA</b>   | Citibank Europe plc<br>Serdika Offices<br>10th Floor<br>48 Sitnyakovo Blvd<br>Sofia 1505<br>BULGARIA                                   | ING Bank N.V.<br>Sofia                                       |

| Market                 | Subcustodian  | Cash Correspondent Bank                          |
|------------------------|---|--|
| <b>CANADA</b>          | Canadian Imperial Bank of Commerce<br>Commerce Court West<br>Security Level<br>Toronto Ontario M5L 1 G9<br>CANADA                                       | Royal Bank of Canada<br>Toronto                  |
|                        | Royal Bank of Canada<br>155 Wellington Street West, 2 <sup>nd</sup> Floor<br>Toronto Ontario M5V 3L3<br>CANADA  |  |
| <b>CHILE</b>           | Banco Santander Chile<br>Bandera 140, Piso 4<br>Santiago<br>CHILE   | Banco Santander Chile<br>Santiago                |
| <b>CHINA – A SHARE</b> | HSBC Bank (China) Company Limited<br>33/F, HSBC Building, Shanghai ifc<br>8 Century Avenue, Pudong<br>Shanghai 200120<br>THE PEOPLE'S REPUBLIC OF CHINA | HSBC Bank (China) Company<br>Limited<br>Shanghai |
| <b>CHINA – B SHARE</b> | HSBC Bank (China) Company Limited<br>33/F, HSBC Building, Shanghai ifc<br>8 Century Avenue, Pudong<br>Shanghai 200120<br>THE PEOPLE'S REPUBLIC OF CHINA | JPMorgan Chase Bank, N.A.**<br>New York          |
|                        |   | JPMorgan Chase Bank, N.A.**<br>Hong Kong         |
| <b>CHINA CONNECT</b>   | JPMorgan Chase Bank, N.A.**<br>48th Floor, One Island East<br>18 Westlands Road, Quarry Bay<br>HONG KONG  | JPMorgan Chase Bank, N.A.**<br>Hong Kong         |
| <b>COLOMBIA</b>        | Cititrust Colombia S.A.<br>Carrera 9 A# 99-02, 3rd floor<br>Bogota<br>COLOMBIA  | Cititrust Colombia S.A.<br>Bogota                |
| <b>COSTA RICA</b>      | Banco BCT, S.A.<br>150 Metros Norte de la Catedral<br>Metropolitana<br>Edificio BCT<br>San Jose<br>COSTA RICA   | Banco BCT, S.A.<br>San Jose                      |

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|                |   |                                       |
|----------------|---|---------------------------------------|
| <b>CROATIA</b> | Privredna banka Zagreb d.d.<br>Radnicka cesta 50<br>10000 Zagreb<br>CROATIA | Zagrebacka banka d.d.<br>Zagreb       |
| <b>CYPRUS</b>  | HSBC Bank plc<br>109-111, Messogian Ave.<br>115 26 Athens<br>GREECE         | J.P. Morgan AG**<br>Frankfurt am Main |

| Market                | Subcustodian  | Cash Correspondent Bank                        |
|-----------------------|---|--|
| <b>CZECH REPUBLIC</b> | UniCredit Bank Czech Republic and Slovakia, a.s.<br>BB Centrum - FILADELFIE<br>Zeletavska 1525-1<br>140 92 Prague 1<br>CZECH REPUBLIC   | Ceskoslovenska obchodni banka, a.s.<br>Prague  |
| <b>DENMARK</b>        | Nordea Bank Danmark A/S<br>Christiansbro<br>Strandgade 3<br>P.O. Box 850<br>DK-0900 Copenhagen<br>DENMARK   | Nordea Bank Danmark A/S<br>Copenhagen          |
| <b>EGYPT</b>          | Citibank, N.A.<br>4 Ahmed Pasha Street<br>Garden City<br>Cairo<br>EGYPT   | Citibank, N.A.<br>Cairo                        |
| <b>ESTONIA</b>        | SwedbankAS<br>Liivalaia 8<br>15040 Tallinn<br>ESTONIA   | J.P. Morgan AG**<br>Frankfurt am Main          |
| <b>FINLAND</b>        | Nordea Bank Finland Plc<br>Aleksis Kiven katu 3-5<br>FIN-00020 NORDEA Helsinki<br>FINLAND   | J.P. Morgan AG**<br>Frankfurt am Main          |
| <b>FRANCE</b>         | BNP Paribas Securities Services S.C.A.<br>Les Grands Moulins de Pantin<br>9, rue du Debarcadere<br>93500 Pantin<br>FRANCE   | J.P. Morgan AG**<br>Frankfurt am Main          |
| <b>GERMANY</b>        | Deutsche Bank AG<br>Alfred-Herrhausen-Allee 16-24<br>D-65760 Eschborn<br>GERMANY<br><br>J.P. Morgan AG#**<br>Taunustor 1 (TaunusTurm)<br>60310 Frankfurt am Main<br>GERMANY<br>#Custodian for local German custody clients only | J.P. Morgan AG**<br>Frankfurt am Main          |
| <b>GHANA</b>          | Standard Chartered Bank Ghana Limited<br>Accra High Street<br>P.O. Box 768<br>Accra<br>GHANA  | Standard Chartered Bank Ghana Limited<br>Accra |
| <b>GREECE</b>         | HSBC Bank plc<br>Messogion 109-111<br>11526 Athens<br>GREECE  | J.P. Morgan AG**<br>Frankfurt am Main          |

| Market           | Subcustodian   | Cash Correspondent Bank                  |
|------------------|--|--|
| <b>HONG KONG</b> | JPMorgan Chase Bank, N.A.**<br>48th Floor, One Island East<br>18 Westlands Road, Quarry Bay<br>HONG KONG | JPMorgan Chase Bank, N.A.**<br>Hong Kong |
| <b>HUNGARY</b>   | Deutsche Bank AG<br>Hold utca 27<br>H-1054 Budapest<br>HUNGARY   | ING Bank N.V.<br>Budapest                |
| <b>*ICELAND*</b> | Islandsbanki hf.<br>Kirkjusandur 2<br>IS-155 Reykjavik<br>ICELAND  | Islandsbanki hf.<br>Reykjavik            |

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|                  |   |                                       |
|------------------|---|---------------------------------------|
| <b>INDIA</b>     | JPMorgan Chase Bank, N.A.**<br>6th Floor, Paradigm 'B' Wing<br>MindSpace, Malad (West)<br>Mumbai 400 064<br>INDIA | JPMorgan Chase Bank, N.A.**<br>Mumbai |
| <b>INDONESIA</b> | Deutsche Bank AG<br>Deutsche Bank Building<br>80 Jl. Inman Bonjol<br>Jakarta 10310<br>INDONESIA                   | Deutsche Bank AG<br>Jakarta           |
| <b>IRELAND</b>   | JPMorgan Chase Bank, N.A.**<br>25 Bank Street, Canary Wharf<br>London E14 5JP<br>UNITED KINGDOM                   | J.P. Morgan AG**<br>Frankfurt am Main |
| <b>ISRAEL</b>    | Bank Leumi le-Israel B.M.<br>35, Yehuda Halevi Street<br>65136 Tel Aviv<br>ISRAEL                                 | Bank Leumi le-Israel B.M.<br>Tel Aviv |
| <b>ITALY</b>     | BNP Paribas Securities Services S.C.A.<br>Via Asperto, 5<br>20123 Milan<br>ITALY                                  | J.P. Morgan AG**<br>Frankfurt am Main |
| <b>JAPAN</b>     | Mizuho Bank, Ltd.<br>4-16-13, Tsukishima<br>Chuo-ku<br>Tokyo 104-0052<br>JAPAN                                    | JPMorgan Chase Bank, N.A.**<br>Tokyo  |
|                  | The Bank of Tokyo-Mitsubishi UFJ, Ltd.<br>1-3-2 Nihombashi Hongoku-cho<br>Chuo-ku<br>Tokyo 103-0021<br>JAPAN      |                                       |



| Market            | Subcustodian   | Cash Correspondent Bank   |
|-------------------|--|---|
| <b>JORDAN</b>     | Standard Chartered Bank<br>Shmeissani Branch<br>Al-Thaqafa Street<br>Building # 2<br>P.O.BOX 926190<br>Amman<br>JORDAN                   | Standard Chartered Bank<br>Amman                                      |
| <b>KAZAKHSTAN</b> | JSC Citibank Kazakhstan<br>Park Palace, Building A, Floor 2<br>41 Kazybek Bi<br>Almaty 050010<br>KAZAKHSTAN                              | JSC Citibank Kazakhstan<br>Almaty                                     |
| <b>KENYA</b>      | Standard Chartered Bank Kenya Limited<br>Chiromo<br>48 Westlands Road<br>Nairobi 00100<br>KENYA  | Standard Chartered Bank Kenya<br>Limited<br>Nairobi                   |
| <b>KUWAIT</b>     | HSBC Bank Middle East Limited<br>Kuwait City, Qibla Area<br>Hamad Al-Saqr Street, Kharafi Tower<br>G/1/2 Floors<br>Safat 13017<br>KUWAIT | HSBC Bank Middle East Limited<br>Safat                                |
| <b>LATVIA</b>     | Swedbank AS<br>Balasta dambis 1a<br>Riga LV-1048<br>LATVIA   | J.P. Morgan AG**<br>Frankfurt am Main                                 |
| <b>LEBANON</b>    | HSBC Bank Middle East Limited<br>HSBC Main Building<br>Riad El Solh, P.O. Box 11-1380<br>1107-2080 Beirut<br>LEBANON                     | JPMorgan Chase Bank, N.A.**<br>New York                               |
| <b>LITHUANIA</b>  | AB SEB Bankas<br>12 Gedimino pr.<br>L T 2600 Vilnius<br>LITHUANIA  | AB SEB Bankas<br>Vilnius<br><br>J.P. Morgan AG**<br>Frankfurt am Main |
| <b>LUXEMBOURG</b> | BNP Paribas Securities Services S.C.A.<br>33, Rue de Gasperich<br>L-5826 Hesperange<br>LUXEMBOURG  | J.P. Morgan AG**<br>Frankfurt am Main                                 |
| <b>*MALAWI*</b>   | Standard Bank Limited, Malawi<br>1st Floor Kaomba House<br>Cnr Glyn Jones Road & Victoria Avenue<br>Blantyre<br>MALAWI                   | Standard Bank Limited, Malawi<br>Blantyre                             |

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| Market             | Subcustodian  | Cash Correspondent Bank   |
|--------------------|---|---|
| <b>MALAYSIA</b>    | HSBC Bank Malaysia Berhad<br>2 Leboh Ampang<br>12th Floor, South Tower<br>50100 Kuala Lumpur<br>MALAYSIA  | HSBC Bank Malaysia Berhad<br>Kuala Lumpur                       |
| <b>MAURITIUS</b>   | The Hongkong and Shanghai Banking Corporation Limited<br>HSBC Centre<br>18 Cybercity<br>Ebene<br>MAURITIUS  | The Hong Kong and Shanghai Banking Corporation Limited<br>Ebene |
| <b>MEXICO</b>      | Banco Nacional de Mexico. S.A.<br>Act. Roberto Medellin No. 800 3er Piso<br>Norte Colonia Santa Fe<br>01210 Mexico, D.F.<br>MEXICO                        | Banco Santander (Mexico), S.A.<br>Mexico, D.F.                  |
| <b>MOROCCO</b>     | Société Générale Marocaine de Banques<br>55 Boulevard Abdelmoumen<br>Casablanca 20100<br>MOROCCO  | Attijariwafa Bank S.A.<br>Casablanca                            |
| <b>NAMIBIA</b>     | Standard Bank Namibia Limited<br>Mutual Platz<br>2nd Floor, Standard Bank Centre<br>Cnr. Stroebel and Post Streets<br>P.O.Box 3327<br>Windhoek<br>NAMIBIA | The Standard Bank of South Africa Limited<br>Johannesburg       |
| <b>NETHERLANDS</b> | BNP Paribas Securities Services S.C.A.<br>Herengracht 595<br>1017 CE Amsterdam<br>NETHERLANDS   | J.P. Morgan AG**<br>Frankfurt am Main                           |
| <b>NEW ZEALAND</b> | JPMorgan Chase Bank, N.A.**<br>Level 13, 2 Hunter Street<br>Wellington 6011<br>NEW ZEALAND  | Westpac Banking Corporation<br>Wellington                       |
| <b>NIGERIA</b>     | Stanbic IBTC Bank Plc<br>Plot 1712<br>Idejo Street<br>Victoria Island<br>Lagos<br>NIGERIA   | Stanbic IBTC Bank Plc<br>Lagos                                  |
| <b>NORWAY</b>      | Nordea Bank Norge ASA<br>Essendropsgate 7<br>PO Box 1166<br>N0-0107 Oslo<br>NORWAY  | Nordea Bank Norge ASA<br>Oslo                                   |

| Market             | Subcustodian  | Cash Correspondent Bank   |
|--------------------|---|---|
| <b>OMAN</b>        | HSBC Bank Oman S.A.O.G.<br>2nd Floor Al Khuwair<br>PO Box 1727 PC 111<br>Seeb<br>OMAN   | HSBC Bank Oman S.A.O.G.<br>Seeb   |
| <b>PAKISTAN</b>    | Standard Chartered Bank (Pakistan)<br>Limited<br>P.O. Box 4896<br>Ismail Ibrahim Chundrigar Road<br>Karachi 74000<br>PAKISTAN   | Standard Chartered Bank (Pakistan)<br>Limited<br>Karachi                    |
| <b>PERU</b>        | Citibank del Perú S.A.<br>Av. Canaval y Moreryra 480 Piso 4<br>San Isidro<br>Lima 27<br>PERU  | Citibank del Perú S.A.<br>Lima  |
| <b>PHILIPPINES</b> | The Hong Kong and Shanghai Banking<br>Corporation<br>Limited<br>7/F HSBC Centre<br>3058 Fifth Avenue West<br>Bonifacio Global City<br>1634 Taguig City<br>PHILIPPINES | The Hong Kong and Shanghai<br>Banking Corporation<br>Limited<br>Taguig City |
| <b>POLAND</b>      | Bank Handlowy w. Warszawie S.A.<br>ul. Senatorska 16<br>00-923 Warsaw<br>POLAND   | mBank S.A.<br>Warsaw  |
| <b>PORTUGAL</b>    | BNP Paribas Securities Services S.C.A.<br>Avenida D.João II, Lote 1.18.01, Bloco B,<br>7º andar<br>1998-028 Lisbon<br>PORTUGAL  | J.P. Morgan AG**<br>Frankfurt am Main                                       |
| <b>QATAR</b>       | HSBC Bank Middle East Limited<br>2nd Floor, Ali Bin Ali Tower<br>Building 150 (Airport Road)<br>PO Box 57<br>Doha<br>QATAR  | HSBC Bank Middle East Limited<br>Doha                                       |
| <b>ROMANIA</b>     | Citibank Europe plc<br>145 Calea Victoriei<br>1st District<br>010072 Bucharest<br>ROMANIA   | ING Bank N.V.<br>Bucharest  |
| <b>RUSSIA</b>      | J.P. Morgan Bank International (Limited<br>Liability Company)**<br>10, Butyrsky Val<br>White Square Business Centre<br>Floor 12<br>Moscow 12504 7<br>RUSSIA           | JPMorgan Chase Bank, N.A.**<br>New York                                     |

| Market                 | Subcustodian   | Cash Correspondent Bank   |
|------------------------|--|---|
| <b>SAUDI ARABIA</b>    | HSBC Saudi Arabia Limited<br>2/F HSBC Building<br>Olaya Road, Al-Murooj<br>Riyadh 11413<br>SAUDI ARABIA  | HSBC Saudi Arabia Limited<br>Riyadh                                     |
| <b>SERBIA</b>          | Unicredit Bank Srbija a.d.<br>Airport City Belgrade<br>Omladinskih Brigada 88<br>11070 Belgrade<br>SERBIA  | Unicredit Bank Srbija a.d.<br>Belgrade                                  |
| <b>SINGAPORE</b>       | DBS Bank Ltd<br>10 Toh Guan Road<br>DBS Asia Gateway, Level 04-11 (4B)<br>608838<br>SINGAPORE  | Oversea-Chinese Banking<br>Corporation<br>Singapore                     |
| <b>SLOVAK REPUBLIC</b> | UniCredit Bank Czech Republic and<br>Slovakia, a.s.<br>Sancova 1/A<br>SK-813 33 Bratislava<br>SLOVAK REPUBLIC  | J.P. Morgan AG**<br>Frankfurt am Main                                   |
| <b>SLOVENIA</b>        | UniCredit Banka Slovenija d.d.<br>Smartinska 140<br>SI-1000 Ljubljana<br>SLOVENIA  | J.P. Morgan AG**<br>Frankfurt am Main                                   |
| <b>SOUTH AFRICA</b>    | FirstRand Bank Limited<br>1 Mezzanine Floor, 3 First Place, Bank City<br>Cnr Simmonds and Jeppe Streets<br>Johannesburg 2001<br>SOUTH AFRICA   | The Standard Bank of South Africa<br>Limited<br>Johannesburg            |
| <b>SOUTH KOREA</b>     | Standard Chartered Bank Korea Limited<br>47 Jongro, Jongro-Gu<br>Seoul 110-702<br>SOUTH KOREA<br><br>Kookmin Bank Co., Ltd.<br>84, Namdaemun-ro<br>Jung-gu, Seoul 100-845<br>SOUTH KOREA | Standard Chartered Bank Korea<br>Limited<br>Seoul                       |
| <b>SPAIN</b>           | Santander Securities Services, SA<br>Ciudad Grupe Santander<br>Avenida de Cantabria, s/n<br>Edificio Ecinar, planta baja<br>Boadilla del Monte<br>28660 Madrid<br>SPAIN                  | J.P. Morgan AG**<br>Frankfurt am Main                                   |
| <b>SRI LANKA</b>       | The Hongkong and Shanghai Banking<br>Corporation Limited<br>24 Sir Baron Jayatillaka Mawatha<br>Colombo 1<br>SRI LANKA   | The Hong Kong and Shanghai<br>Banking Corporation<br>Limited<br>Colombo |

| Market  | Subcustodian   | Cash Correspondent Bank  |
|---|--|--|
| <b>SWEDEN</b>   | Nordea Bank AB (publ)<br>Hamngatan 10<br>SE-105 71 Stockholm<br>SWEDEN   | Svenska Handelsbanken<br>Stockholm                                     |
| <b>SWITZERLAND</b>  | UBS Switzerland AG<br>45 Bahnhofstrasse<br>8021 Zurich<br>SWITZERLAND  | UBS Switzerland AG<br>Zurich   |
| <b>TAWAIN</b>   | JPMorgan Chase Bank, N.A.**<br>8th Floor, Cathay Xin Yi Trading Building<br>No. 108, Section 5, Xin Yi Road<br>Taipei 11047<br>TAIWAN  | JPMorgan Chase Bank, N.A.**<br>Taipei                                  |
| <b>*TANZANIA*</b>   | Stanbic Bank Tanzania Limited<br>Stanbic Centre<br>Corner Kinondoni and A.H .Mwinyi Roads<br>P.O. Box 72648<br>Dar es Salaam<br>TANZANIA   | Stanbic Bank Tanzania Limited<br>Dar es Salaam                         |
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| <b>THAILAND</b>   | Standard Chartered Bank (Thai) Public<br>Company Limited<br>14th Floor, Zone B<br>Sathorn Nakorn Tower<br>90 North Sathorn Road Bangrak<br>Silom, Bangrak<br>Bangkok 10500<br>THAILAND | Standard Chartered Bank (Thai)<br>Public Company<br>Limited<br>Bangkok |
| <b>TRINIDAD AND TOBAGO</b>  | Republic Bank Limited<br>9-17 Park Street<br>Port of Spain<br>TRINIDAD AND TOBAGO  | Republic Bank Limited<br>Port of Spain                                 |
| <b>TUNISIA</b>  | Banque Internationale Arabe de Tunisie,<br>S.A.<br>70-72 Avenue Habib Bourguiba<br>P.O. Box 520<br>Tunis 1000<br>TUNISIA   | Banque Internationale Arabe de<br>Tunisie, S.A.<br>Tunis               |
| <b>TURKEY</b>   | Citibank A.S.<br>Inkilap Mah., Yilmaz Plaza<br>O. Faik Atakan Caddesi No: 3<br>34768 Umraniye- Istanbul<br>TURKEY  | JPMorgan Chase Bank, N.A.**<br>Istanbul                                |
| <b>UGANDA</b>   | Standard Chartered Bank Uganda Limited<br>5 Speke Road<br>P.O. Box 7111<br>Kampala<br>UGANDA   | Standard Chartered Bank Uganda<br>Limited<br>Kampala                   |

| Market                                     | Subcustodian  | Cash Correspondent Bank  |
|--|---|--|
| <b>*UKRAINE*</b>                           | PJSC Citibank<br>16-G Dilova Street<br>03150 Kiev<br>UKRAINE  | PJSC Citibank<br>Kiev<br><br>JPMorgan Chase Bank, NA**<br>New York |
| <b>UNITED ARAB EMIRATES – ADX</b>          | HSBC Bank Middle East Limited<br>Emaar Square, Level 4, Building No. 5<br>P.O. Box 502601<br>Dubai<br>UNITED ARAB EMIRATES  | The National Bank of Abu Dhabi<br>Abu Dhabi                        |
| <b>UNITED ARAB EMIRATES - DFM</b>          | HSBC Bank Middle East Limited<br>Emaar Square, Level 4, Building No. 5<br>P.O. Box 502601<br>Dubai<br>UNITED ARAB EMIRATES  | The National Bank of Abu Dhabi<br>Abu Dhabi                        |
| <b>UNITED ARAB EMIRATES – NASDAQ DUBAI</b> | HSBC Bank Middle East Limited<br>Emaar Square, Level 4, Building No. 5<br>P.O. Box 502601<br>Dubai<br>UNITED ARAB EMIRATES  | JPMorgan Chase Bank, N.A.**<br>New York                            |
| <b>UNITED KINGDOM</b>                      | JPMorgan Chase Bank, N.A.**<br>25 Bank Street, Canary Wharf<br>London E14 5JP<br>UNITED KINGDOM<br><br>Deutsche Bank AG Depository and Clearing<br>Centre<br>10 Bishops Square<br>London E1 6EG<br>UNITED KINGDOM | JPMorgan Chase Bank, N.A.**<br>London<br><br>Varies by currency    |
| <b>UNITED STATES</b>                       | JPMorgan Chase Bank, N.A.**<br>4 New York Plaza<br>New York NY 10004<br>UNITED STATES   | JPMorgan Chase Bank, N.A.**<br>New York                            |
| <b>URUGUAY</b>                             | Banco Itaú Uruguay S.A.<br>Zabala 1463<br>11000 Montevideo<br>URUGUAY   | Banco Itaú Uruguay SA<br>Montevideo                                |
| <b>VENEZUELA</b>                           | Citibank, N.A.<br>Avenida Casanova<br>Centro Comercial El Recreo<br>Torre Norte, Piso 19<br>Caracas 1050<br>VENEZUELA   | Citibank, N.A.<br>Caracas  |

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| Market   | Subcustodian  | Cash Correspondent Bank                             |
|--|---|---|
| <b>VIETNAM</b>   | HSBC Bank (Vietnam) Ltd.<br>Centre Point<br>106 Nguyen Van Troi Street<br>Phu Nhuan District<br>Ho Chi Minh City<br>VIETNAM | HSBC Bank (Vietnam) Ltd.<br>Ho Chi Minh City        |
| <b>*WAEMU - BENIN, BURKINA FASO, GUINEA-BISSAU, IVORY COAST, MALL, NIGER, SENEGAL, TOGO*</b> | Standard Chartered Bank Cote d'Ivoire SA<br>23 Boulevard de la Republique 1<br>01 B.P. 1141<br>Abidjan 17<br>IVORY COAST    | Standard Chartered Bank Cote d'Ivoire SA<br>Abidjan |

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|                   |  |  |
|-------------------|--|--|
| <b>ZAMBIA</b>     | Standard Chartered Bank Zambia Plc<br>Standard Chartered House<br>Cairo Road<br>P.O. Box 32238<br>Lusaka 10101<br>ZAMBIA | Standard Chartered Bank Zambia Plc<br>Lusaka |
| <b>*ZIMBABWE*</b> | Stanbic Bank Zimbabwe Limited<br>Stanbic Centre, 3rd Floor<br>59 Samora Machel Avenue<br>Harare<br>ZIMBABWE              | Stanbic Bank Zimbabwe Limited<br>Harare      |

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