

RBS STAKEHOLDER INVESTMENT FUND ICVC

AN INVESTMENT COMPANY WITH VARIABLE CAPITAL
REGISTERED IN ENGLAND AND WALES UNDER REGISTERED NUMBER IC 000370, FCA PRODUCT
REFERENCE ("PRN"): 415352

PROSPECTUS

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

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 the RBS Stakeholder Investment Fund ICVC is suitable for you, you should consult your financial adviser.

This is the Prospectus of RBS Stakeholder Investment Fund (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*).

The *Company* is incorporated in England and Wales as an investment company with variable capital (*ICVC*) under registered number **IC000370**. The *Shareholders* are not liable for the debts of the *Company*.

RBS Collective Investment Funds Limited ("RBSCIFL"), the Authorised Corporate Director of the *Company*, is the person 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 *Depository*, 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 *RBSCIF* 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 *RBSCIF* 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 *Company* can be found in Appendix V

This Prospectus has been prepared on the basis the *Company* will be suitable for *Stakeholder Products*, *Child Trust Fund*, *Adult ISA* and *Junior ISA* investments as well as direct investment.

The *Company* may enter into transactions in *Derivatives*. Such transactions will be used for the purposes historically known as efficient portfolio management as described on page 82 of this Prospectus. The use of *Derivatives* does not otherwise directly form part of the investment objectives of the *Company* (although if the *Company* invests in other collective investment schemes, those other schemes may themselves use *Derivatives* as part of their investment objective).

Definitions

In this Prospectus the words and expressions set out in the first column below 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 <i>Company</i> , RBS Collective Investment Funds Limited (RBSCIFL);
Accumulation Shares	means <i>Shares</i> (of whatever <i>Class</i>) issued from time to time in respect of which income allocated thereto is credited periodically to capital pursuant to the <i>COLL Sourcebook</i> and the <i>Instrument of Incorporation</i> ;
Act	means the Financial Services and Markets Act 2000 as amended and/or re-enacted from time to time;
Administrator	means Aviva Life Services UK Limited, the administrator of the <i>Company</i> , who sub-delegates this responsibility to International Financial Data Services (UK) Limited;
Adult ISA	means a stocks and shares individual savings account that is or has been offered by the ACD or an Associate of the ACD under the Individual Savings Regulations 1998 (as amended from time to time) that is not a Junior ISA.
Associate	as defined in the glossary of the <i>FCA Handbook</i> ;
Approved Bank	means in relation to a bank account opened by the <i>Company</i> : (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;

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

Auditor	means Ernst & Young LLP, the auditor of the <i>Company</i> ;
Business Day	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;
Child Trust Fund	means a product which complies with the Child Trust Funds Regulations 2004 (as amended from time to time) and is or has been offered by the <i>ACD</i> or an <i>Associate</i> of the <i>ACD</i> ;
Child Trust Fund Administrator	means Target Servicing Limited, the administrator of the <i>Child Trust Fund</i> ;
Class or Classes	is as defined in the Instrument of Incorporation (being in summary in relation to <i>Shares</i> (according to the context) means all the <i>Shares</i> related to the <i>Company</i> or a particular class or classes of <i>Share</i> related to the <i>Company</i>);
COLL	refers to the relevant chapter or rule in the <i>COLL Sourcebook</i> ;
COLL Sourcebook	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;
Company	means RBS Stakeholder Investment Fund ICVC;
Custodian	means the custodian of the <i>Scheme Property</i> from time to time, currently being JPMorgan Chase Bank;
Dealing Day	means any <i>Business Day</i> ;
Depository	means the depository of the <i>Company</i> from time to time, currently being J.P. Morgan Europe Limited;
Derivative	means a financial instrument whose value is dependent on the value of an underlying asset such as a future, option or contract for differences;
EEA State	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> ;
Eligible Institution	means one of certain eligible institutions as defined in the glossary to the <i>FCA Handbook</i> ;
FCA	means the Financial Conduct Authority and any successor(s) to it;
the FCA Handbook	means the <i>FCA Handbook</i> of Rules and Guidance as amended and/or replaced from time to time;
ICVC	means investment company with variable capital which may also be referred to as an open-ended investment company (OEIC);
Initial Charge	means a charge imposed by the <i>ACD</i> on a purchase of <i>Shares</i> by an investor, calculated as a percentage of the gross amount tendered for investment;
Income Shares	means <i>Shares</i> (of whatever <i>Class</i>) issued from time to time 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> ;
Instrument of Incorporation	means the instrument of incorporation of the <i>Company</i> as amended from time to time;
Investment Funds Legislation	means the <i>UCITS V Directive</i> , <i>UCITS V Level 2</i> and the <i>UCITS Law</i> ;
Investment Manager	means Aviva Investors Global Services Limited, the investment manager of the <i>Company</i> ;
IOSCO	means the International Organisation of Securities Commissions;
Investor Protection Fee	means a dilution levy as defined in the <i>COLL Sourcebook</i> ;
Junior ISA	means a stocks and shares individual savings account within the meaning of Regulation 2B of the Individual Savings Regulations 1998 (as amended from time to time) which is or has been offered by the <i>ACD</i> or an <i>Associate</i> of the <i>ACD</i> ;
Junior ISA Administrator	means Capita Life & Pensions Regulated Services Limited . the administrator of the <i>Junior ISA</i> ;

Larger Denomination Share	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;
Net Asset Value or NAV	means the value of the <i>Scheme Property</i> of the <i>Company</i> less the liabilities of the <i>Company</i> as calculated in accordance with the <i>Company's Instrument of Incorporation</i> ;
OECD	means the Organisation for Economic Co-operation and Development;
OEIC Regulations	means the Open-Ended Investment Companies Regulations 2001 (SI 2001 No.1228) as amended or re-enacted from time to time;
PRA	means the Prudential Regulation Authority and any successor(s) to it;
RBSG	means The Royal Bank of Scotland Group plc;
Register	means the register of <i>Shareholders</i> in the <i>Company</i> maintained in accordance with the <i>OEIC Regulations</i> ;
Registrar	means, Aviva Life Services UK Limited the registrar of the <i>Company</i> , who sub-delegates this responsibility to International Financial Data Services (UK) Limited;
the Regulations	means the <i>OEIC Regulations</i> and the <i>COLL Sourcebook</i> ;
Scheme Property	means the property of the <i>Company</i> required under the <i>COLL Sourcebook</i> to be given for safe-keeping to the <i>Depositary</i> ;
Share or Shares	means a <i>Share</i> or <i>Shares</i> in the <i>Company</i> (including <i>Larger Denomination Shares</i> and <i>Smaller Denomination Shares</i>);
Shareholder	means a holder of <i>Shares</i> in the <i>Company</i> ;
Smaller Denomination Share	means one thousandth of a <i>Larger Denomination Share</i> ;
State	means a state of the United States of America;
Switch	means the exchange of <i>Shares</i> of one <i>Class</i> for <i>Shares</i> of another <i>Class</i> or

fund;

Stakeholder Product	means an investment that complies with the conditions set out for a stakeholder product defined in the <i>Stakeholder Regulations</i> as is offered by the <i>ACD</i> or an <i>Associate</i> of the <i>ACD</i> ;
Stakeholder Regulations	means the Financial Services and Markets Act 2000 (Stakeholder Products) Regulations 2004 (as amended from time to time);
UCITS Directive	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;
UCITS V Directive	means the Undertakings for Collective Investment in Transferable Securities Directive 2014/91/EU;
UCITS V Level 2	means the Commission Delegated Regulation (EU) of 17 December 2015 supplementing the <i>UCITS Directive</i> with regard to obligations of depositaries;
UCITS Law	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;
US	the United States of America (including any <i>States</i> thereof and District of Columbia), its territories, possessions and all other areas subject to its jurisdiction;
US Person	unless otherwise determined by the <i>ACD</i> : (i) a resident of the <i>US</i> ; (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 <i>US Person</i> ; (iv) any trust of which any trustee, beneficiary or, if the trust is revocable, any settlor is a <i>US Person</i> ; (v) any agency or branch of a foreign entity located in the <i>US</i> ; (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 <i>US</i> ;

(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* may be issued, cancelled or redeemed as described in the 'Valuation' section on page 30; and

VAT

means value added tax.

Company Details

General

The *Company* is authorised by the *FCA*. It was authorised with effect from **24 December 2004**.

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* is pounds sterling

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

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

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

Directory

The Company and Head Office:	RBS Stakeholder Investment Fund ICVC 24-25 St Andrew Square Edinburgh EH2 1AF
Authorised Corporate Director:	RBS Collective Investment Funds Limited 24-25 St Andrew Square Edinburgh EH2 1AF
Investment Manager:	Aviva Investors Global Services Limited St Helens 1 Undershaft London EC3P 3DQ
Company and Adult ISA Administrator and Registrar:	Aviva Life Services UK Limited who sub-delegates this responsibility to International Financial Data Services (UK) Limited at: IFDS House St Nicholas Lane Basildon Essex SS15 5FS
Child Trust Fund Administrator:	Target Servicing Limited Imperial Way Newport Gwent NP20 8UH
Junior ISA Administrator	Capita Life & Pensions Regulated Services Limited 71 Victoria Street Westminster London SW1H 0XA
Depository:	J.P. Morgan Europe Limited 25 Bank Street Canary Wharf London E14 5JP
Custodian:	JPMorgan Chase Bank N.A 25 Bank Street Canary Wharf London E14 5JP
Auditors:	Ernst & Young LLP 10 George Street Edinburgh EH2 2DZ

The Constitution of the Company

Category

The *Company* is a UCITS Scheme operating under the *COLL Sourcebook*.

Only net *Accumulation Shares* are available in *Class 1* and *Class 2*.

The Investment objective of the *Company* is to provide long term capital growth and income. The *Company's* investment policy is to invest in a mixed portfolio of transferable securities (UK equities and bonds), derivatives (for the purposes of efficient portfolio management), deposits and in units in collective investment schemes.

The *Company* will follow an index-tracking approach in relation to the underlying asset classes within its portfolio. The aim is to track a customised benchmark comprising
55% FTSE All Share Index,
43% FTSE Actuaries UK Conventional Gilts All Stocks Index,
2% LIBID (7 day) (the “**Indices**”)

A range of recognised indexation techniques (as described below under “Anticipated Tracking Error”) will normally be used to achieve the objective of tracking the Indices.

For liquidity management purposes the *Company* may also invest in other transferable securities, deposits and units or shares in collective investment schemes.

Indices Tracked

The Indices tracked by the *Company*, are detailed below:

1. FTSE All Share Index, is a market-capitalisation weighted index of UK-listed companies. This index is part of the FTSE UK Series and is designed to measure the performance of all companies traded on the London Stock Exchange. Market capitalisation is the share price of the company multiplied by the number of shares issued. The constituents of the index are rebalanced on a quarterly basis.

The FTSE All Share Index is independently calculated according to the publicly available index rules available at:

http://www.ftse.com/products/downloads/FTSE_UK_Index_Series_Guide_to_Calc.pdf

For more information on the FTSE All Share Index, including its constituents, please go to:

<http://www.ftse.com/products/indices/uk>

2. FTSE Actuaries UK Conventional Gilts All Stocks Index, is an arithmetically weighted price index for conventional (or fixed interest) gilt-edged securities of all outstanding terms to

redemption. The index is based on the “gross” or “dirty” price (including an allowance for accrued interest) and is weighted by the nominal amount outstanding for each security.

This index is part of the FTSE Actuaries UK Gilts Index Series and is designed to measure the performance of all UK Government Fixed Interest Bonds traded on the London Stock Exchange.

The FTSE Actuaries UK Conventional Gilts All Stocks Index is independently calculated according to the publicly available index rules available at:

http://www.ftse.com/products/downloads/FTSE_Actuaries_UK_Gilts_Index_Series.pdf?942

For more information on the FTSE Actuaries UK Conventional Gilts All Stocks Index, including its constituents, please go to:

<http://www.ftse.com/products/indices/Gilts>

and select the Fact Sheet for “FTSE Actuaries UK Conventional Gilts All Stocks”.

3. The London Interbank Bid Rate (LIBID) 7 day is a bid rate; the average interest rate bid by banks on Eurocurrency deposits (i.e., the rate at which a bank is willing to borrow from other banks over 7 days). LIBID is calculated through a survey of London banks to determine the interest rate which they are willing to borrow large eurocurrency deposits.

Anticipated Tracking Error

In seeking to achieve its investment objective, the Company shall hold securities and cash deposits, which make up the customised benchmark, in similar proportions to it. For the Company's Government Securities portfolio and cash deposits, an approach of fully replicating the FTSE Actuaries UK Conventional Gilts All Stocks Index and LIBID will be followed. However, for the Company's UK Equity portfolio a stratified sampling approach will be followed, which involves creating a representative portfolio with the correct sector weights to achieve performance close to the FTSE All Share Index using the optimal choice of stocks within each sector to balance the overall tracking error and dealing costs.

The tracking error (being the extent to which in normal market conditions the return of a fund (which tracks an index) deviates from the return of the index or indices which it tracks) for the Company is impacted by:

- deviations from the FTSE All Share Index for the Company's UK Equity portfolio due to use of a stratified sampling approach;
- any regulatory restrictions on the *Company's* investments matching the constituents of the Indices;
- dealing costs, charges and other expenses;

- the timing of income from investments, sales and purchases of investments to meet the cash flows of the *Company*; and
- the fact that the *Company* is valued at 12pm each day so the performance of the *Company* may deviate from the performance of the Indices on a close of Business Day basis.

As a result of these factors, the anticipated tracking error for the *Company*, calculated as an annualised standard deviation, is expected to be in the range of 1% to 2%.

The *Company* is designed for retail investors who should have regard to the investment objective and policy of the *Company* and the risks (see page 39) and should be prepared to invest for at least five years.

See Taxation page 64 for the tax treatment of distributions.

Allocation of Liabilities

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*.

Changes to the Company

Where any changes are proposed to be made to the *Company* 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*. *Share Classes* may be distinguished on the basis of different criteria which may include their minimum subscription, minimum holding and applicable charges. 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"> • Minimum initial subscription £10 (less the <i>Initial Charge</i>) • Minimum additional subscription £10 (less the <i>Initial Charge</i>) • Minimum redemption £100 • Minimum holding £10 (less any <i>Initial Charges</i> deducted)
<i>Class 2:</i>	<ul style="list-style-type: none"> • Minimum initial subscription £100,000 • Minimum additional subscription £10 • Minimum holding £100,000

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

If the *ACD* makes the *Company* available for investment via *Stakeholder Products* the *ACD's* intention would be to launch a further *Share Class* in the future with an annual management charge of 1%. The *ACD* would then *Switch* Shareholdings from *Share Class 1* to the new *Share Class* providing such Shareholdings have been held within *Share Class 1* for 10 years. Please note the introduction of such new *Share Class* and the switching of *Shareholdings* is subject to there being no amendment to the *Stakeholder Regulations* in respect of price caps and charging and determination by the *ACD* in the future whether this is the most suitable action to take to satisfy the *Stakeholder Regulations*.

The details of annual management charges are to be found in the section headed 'Fees and Expenses' on page 52. Any differences in annual management charges for different *Share Classes* will result in monies being deducted from *Classes* of the same *Fund* in unequal proportions. In these circumstances the proportionate interests of the *Classes* within a *Fund* will be adjusted accordingly (for an explanation of proportionate interests please refer to page 36).

Net *Accumulation Shares* are available within *Class 1* and *Class 2*. Net *Income Shares*, gross *Income Shares* and gross *Accumulation Shares* may also be issued but are not currently offered.

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 *Class*, either a revised prospectus or a supplemental prospectus will be prepared setting out the relevant details of each *Class*.

Switching

Shareholders are entitled (subject to certain restrictions) to *Switch* all or part of their *Shares* in a *Class* for *Shares* in another *Class* but not into any class of any authorised fund of which the *ACD* is the authorised corporate director or authorised fund manager. Details of this switching facility and the restrictions are set out on page 22.

Income and Accumulation Shares

Holders of *Income Shares* will receive distributions. The *Company* currently only offers *Accumulation Shares*.

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 will be issued in respect of income which is accumulated.

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

Dealing in Shares

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*, the *Investor Protection Fee* and any redemption charge for further information see the section headed *Dealing Charges*, on page 24) 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 and a redemption charge on *Shares* sold. For both purchases and sales, an *Investor Protection Fee* may be imposed. There is no current intention to impose a redemption charge in respect of *Class 1* and *Class 2 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 30).

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 as follows:

- Adult ISA and direct investors: 0345 300 2585
- Junior ISA investors: 0345 603 4047 (Natwest) and 0345 603 4045 (RBS)
- Child Trust Fund investors: 0345 603 0313 (Natwest) and 0345 604 4500 (RBS)

Buying Shares

Applications to purchase *Shares* directly or via the Adult ISA can be made by telephoning the *ACD* on 0845 300 2585* (subject to subsequent completion of an application/registration form for administrative purposes and verification purposes) or by sending a completed application form to the *Administrator*. Applications to purchase *Shares* via the Junior ISA can be made at http://personal.rbs.co.uk/personal/investments/junior-isa/Apply_Junior_Stocks_and_Shares_ISA.html or http://personal.natwest.com/personal/investments/junior-isa/Apply_Junior_Stocks_and_Shares_ISA.html. Applications to purchase *Shares* via existing Child Trust Fund accounts, can be made at

http://personal.rbs.co.uk/personal/investments/existing-customers/Child_Trust_Fund.html and
http://personal.natwest.com/personal/investments/existing-customers/Child_Trust_Fund.html

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, apart from for purchases of *Shares* via the *Junior ISA* as set out above.

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

Applications for *Shares* which are received and accepted by the *ACD* by the *Valuation Point* on a *Dealing Day* will be dealt with at the price as at the *Valuation Point* for that day. Applications received and accepted after that time will be dealt with at the price calculated as at the *Valuation Point* for the following *Dealing Day*.

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 Depository, 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 14 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 *Shares* 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* subject normally to a minimum monthly subscription of £10. 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 0845 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.

Redemption requests received and accepted by the *ACD* by the *Valuation Point* on 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 that time 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 *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* to be redeemed is less than the minimum redemption amounts stated on page 17.

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 aggregate investment amount (if any) in a *Share Class* or the minimum holding in a *Share Class* as set out on page 17.

Switching

Subject to the qualifications below, a *Shareholder* may at any time *Switch* all or some of his *Shares* of one *Class* ("*Original Shares*") for the appropriate number of *Shares* of another *Class* ("*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 exchange *Shares* he should apply to the *ACD* in the same manner as for a sale as set out on page 21.

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*, there is currently no fee on *Switch* between *Classes* 1 and 2

In the event that the *ACD* introduces an additional *Share Class* or *Classes* to comply with the regulations for *Stakeholder Products*, as described on pages 17 and 52, the *ACD* will impose restrictions on access to such new *Share Class(es)* based on the length of time that *Class 1 Shares* have been held by the *Shareholder(s)* concerned.

If a *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 *Class* 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 *Switch* of the original *Shares*. No *Switch* will be made during any period when the right of *Shareholders* to require the redemption of their *Shares* is suspended. The general powers on procedures relating to redemption will apply equally to a *Switch*. Switching requests received after a *Valuation Point* will be held over until the next day that is a *Dealing Day*.

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

Dealing Charges

Initial Charge

No charge is currently made but a charge may be imposed by the *ACD* on the purchase of *Shares* by an investor. Further details can be found on page 53.

Switching Fee

There is no charge for switching *Shares* between *Class 1* and *Class 2*.

Investor Protection Fee (dilution levy)

The basis of valuation of the *Company'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 30.

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 some circumstances (for example, large volumes of deals in *Shares* require the *Company* to purchase or sell investments) this may have an adverse effect on the *Shareholders'* interests in the *Company*. This effect is referred to as "dilution". To mitigate the effects of dilution, the *ACD* has the power to charge a dilution levy (referred to in this Prospectus as an "*Investor Protection Fee*") on the purchase and/or sale of *Shares*. If charged, this fee 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*. 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. 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 *Company*, which may constrain its capital growth.

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

1. on the *Company* 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 the *Company* 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 size of the *Company* whichever is the lesser;
4. where a *Shareholder* redeems a Shareholding within 30 days of its purchase;
5. 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*, if any, will be determined by the *ACD* by reference to the costs of dealing in the underlying investments of the *Company*, including any dealing spreads, commission and transfer taxes.

In the twelve month period to the end of December 2014, and to the end of December 2015, an *Investor Protection Fee* was not levied. It is not possible to predict accurately 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 0.1%. 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 58.

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 the *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 the *Company* to provide investment management and/or investment advisory services in respect of the *Scheme Property* of the *Company*.

In this connection, the *ACD* has discretion to reject any application for the purchase, sale or switching 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 his 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 value of the *Scheme Property*.

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*.

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*.

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 exchange for assets the holding of which would be inconsistent with the investment objective of the *Company*.

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 *Depository* 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 *Depository* 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* 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 *Depository* (and must if the *Depository* so requires) temporarily suspend the issue, cancellation, sale and redemption of *Shares* of any one or more Classes if the *ACD*, or the *Depository* in the case of any requirement by the *Depository*, 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 *Depository* 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 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

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

The *Valuation Point* 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 the *Company* shall be 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 or selling prices are quoted, the average of those 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 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 is quoted, at that price; or
 - (ii) if separate buying or selling prices are quoted, 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 7 and 8 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, stamp duty and VAT.
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. Add a sum representing any interest or any income accrued due or deemed to have been accrued but not received and any stamp duty reserve tax provision anticipated to be received.
14. Currencies or values in currencies other than the base currency or (as the case may be) the designated currency 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*.

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 Period

The annual accounting period of the *Company* ends each year on 31 March (the accounting reference date). There is also a half yearly interim accounting period that ends each year on the 30 September.

Distributions

Distributions will be made by dividend payment.

If a distribution 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 *Company*. If the *Class* is no longer in existence, the income will revert to the *Company*.

The amount available for distribution in any accounting period is calculated by taking the aggregate of the income received or receivable for the account of the *Company* in respect of that accounting period. The *ACD* then makes such other adjustments as it considers appropriate (and after consulting the *Company's Auditors* as appropriate) in relation to taxation, income equalisation, income unlikely to be received within 12 months following the relevant income allocation date, income which should not be accounted for on an accrual basis because of lack of information as to how it accrues, transfers between the income and capital account and other matters.

In the event that income distributions become payable in the future distributions may be made by cheque or bank transfer or such other means of payment as may be permitted by the *ACD*.

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, taking account of the procedure set out below and the proportionate amounts of available income attributable to each *Class*.

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

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 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 units issued and units cancelled during the period.
5. making any other adjustments or any reimbursement of set-up costs that the *ACD* considers appropriate after consulting the *Auditors*.

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*.

Each allocation of income made at a time when more than one *Class* is in issue shall be done by reference to the relevant *Shareholders*' proportionate interests in the property of the *Company*. These will be ascertained by reference to the "**Proportion Account**" for each such *Class* described in the section entitled "Proportionate entitlements" on page 36.

The *ACD* will give the *Depositary* timely instructions to enable the *Depositary* to distribute the income allocated to *Income Shares* of each *Class* 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 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 that annual 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*.

Income equalisation

The following provisions shall apply in respect of *Shares* in issue:

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 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 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 to *Shareholders* 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 *Company* 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 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* exceeds the total subscription money for all *Shares*;
3. that *Class's* proportion of the 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* falls short of the total subscription money for all *Shares*;
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*, but not in respect of the *Company* as a whole;
6. that *Class's* proportion of the costs, charges and expenses incurred in respect of or attributable to the *Company* as a whole; and
7. any notional tax liability as referred to below.

Any tax liability and any tax benefit received or receivable 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 separate 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 *Company* the balance of the Proportion Account shall be translated into the base currency of the *Company* 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* or potential *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 the *Company* is its "proportion".

The *Company* may adopt a method of calculating the amount of income to be allocated between the *Shares* in issue 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 1st 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

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 the *Company* as it invests directly in a particular asset or because the *Company* 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 objective of the *Company* 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.

Effect of Initial Charge

The *ACD's Initial Charge* (if introduced) would be 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.

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.

Suspension of Dealings

In certain circumstances the right to redeem *Shares* may be suspended (see "Suspension of Dealings in the *Company*") on page 28.

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 the *Company*.

Charges to Capital

Where the investment objective of the *Company* 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.

Inflation

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

Purchased Options

The *Company* may hold *Derivatives* in OTC markets for hedging purposes. 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

The *Company* may hold *Derivatives* in OTC markets for hedging purposes. Written options give the right of potential exercise to a third party. This creates exposure for The *Company* 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 *Company'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.

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 the *Company* 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.

Strategy Risk

The *Company* follows an index-tracking approach in relation to the underlying asset classes within its portfolio which involves aiming to track a customised benchmark comprising 55% FTSE All Share Index, 43% FTSE Government Securities All Stocks Index and 2% LIBID (7 day) (the "**Indices**"). Therefore, performance, before deduction of charges, may fall and rise with the Indices.

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

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 VI.

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

The *ACD* provides its services to the *Company* under the terms of an agreement ("the *ACD Agreement*") effective from 24 December 2004 (and amended on 22 December 2006). 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 52 to 53.

The *ACD* is authorised and regulated by the *FCA* of 25 The North Colonnade, Canary Wharf, London, E14 5HS.

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 and 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 pages 53 and 54.

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 VII 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*"). This agreement replaced a previous agreement effective from 17 January 2005 (as amended by deed dated 14 December 2006). 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 *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 (i) as a result of the performance or non-performance by the *ACD* of its 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* of the *Company*" 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 Company and Adult ISA 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* and the *Adult ISA* by an agreement dated 11 September 2003 (as amended) 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*.

The Child Trust Fund Administrator

The *ACD* has appointed Target Servicing Limited to provide administration services to the *ACD* in respect of *Child Trust Fund* holdings and to maintain the sub-register for such holdings by an agreement effective from 12 December 2016 between the *ACD* and the *Child Trust Fund Administrator*.

The *Child Trust Fund Administrator's* fees are paid by the *ACD* out of its remuneration under the *ACD Agreement* and the *Child Trust Fund 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*.

The Junior ISA Administrator

The *ACD* has appointed Capita Life & Pensions Regulated Services Limited to provide administration services to the *ACD* in respect of *Junior ISA* holdings and to maintain the sub-register for such holdings under an agreement between the *ACD* and the *Junior ISA Administrator*.

The *Junior ISA Administrator's* fees are paid by the *ACD* out of its remuneration under the *ACD Agreement* and the *Junior ISA 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

A *Register of Shareholders* 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.

The sub-register in respect of *Child Trust Fund* holdings is maintained by Mellon Bank N.A at its office at BNY Mellon House, Ingrave Road, Brentwood, Essex, CM15 8TG and may be inspected at that address during normal business hours by any *Shareholder* or any *Shareholder's* duly authorised agent.

The sub-register in respect of *Junior ISA* holdings is maintained by the *Junior ISA Administrator* at its office at 71 Victoria Street, Westminster, London SW1H 0XA 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 (other than those in respect of *Child Trust Fund*, *Adult ISA* and Junior ISA holdings) 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.

For holdings in respect of the *Child Trust Fund*, *Adult ISA* and Junior ISA statements will be issued annually which will be sent out to the registered contact.

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 Manager* may, from time to time, act as *Investment Managers* or advisers to other companies, funds or sub-funds which follow similar investment objectives to those of the of the *Company*. It is therefore possible that the *ACD* and/or the *Investment Manager* may in the course of their business have potential conflicts of interest with the *Company*. Each of the *ACD* and the *Investment Manager* will, however, have regard in such event to its obligations under the *Regulations*, the *ACD Agreement* and the *Investment Management Agreement* respectively and, in particular, to its obligation to act in the best interests of the *Company* so far as 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 Manager*, 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 where investment is via the Child Trust Fund or the *Adult ISA* and at PO Box 1188, Cheltenham, GL50 9UE where investment is via the Junior ISA.

Order Execution information

The ACD is responsible for the investment management of the underlying assets of 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 where investment is via the *Child Trust Fund* or the *Adult ISA* and at PO Box 1188, Cheltenham, GL50 9UE where investment is via the *Junior ISA*.

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 where investment is via the *Child Trust Fund* or the *Adult ISA* and at PO Box 1188, Cheltenham, GL50 9UE where investment is via the *Junior ISA*.

Fees and Expenses

Charges for Stakeholder Products, the Child Trust Fund, Adult ISA and Junior ISA

The *ACD* currently intends to manage the *Company* to make it available for *Stakeholder Products* and *Child Trust Fund*, *Adult ISA* and *Junior ISA* holdings. Whilst this continues to be the case, the *ACD* will take whatever action it decides is necessary (including, but not limited to, reducing the annual management charge and/or introducing new *Share Classes*) to ensure compliance with the regulations for *Stakeholder Products*, *Child Trust Funds*, *Adult ISAs* and *Junior ISAs*. The regulations for *Stakeholder Products* and *Child Trust Funds* include limits on the total charges and expenses that can be levied for such products.

Payments to the ACD

Annual Management Charge

The *ACD* is entitled under its agreement with the *Company* to levy a management fee calculated by reference to an annual percentage rate based on the *Net Asset Value* of the *Company* in payment for carrying out its duties and responsibilities. The current annual management charge for *Class 1* is 1.5% and for *Class 2* is 1.25%.

The annual management fee accrues daily and is payable monthly in arrears.

The *ACD's* fees and expenses will be charged against the income of the *Company*. If the *ACD's* fees and expenses for a *Share Class* exceeds the income in any period 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:

1. the *ACD* 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 is invested in the *Company*.

The current *Initial Charge* for *Class 1* and *Class 2* is 0%.

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 24.

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 below under "Payments out of the *Scheme Property* of the *Company*" 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 Manager's, Administrator's and Registrar's Fees

The *Investment Manager's*, *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 below under "Payments out of the *Scheme Property* of the *Company*".

Depository's Fees and Expenses

Fees

The *Depository'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* with the *Scheme Property* being valued and such remuneration accruing and being paid on the same basis as the annual management charge.

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*, subject to approval by the *ACD*.

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.

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:

- 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*);
- 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);
- the fees and expenses in respect of establishing and maintaining the Register of Shareholders and/or plan sub-registers and related functions;
- expenses incurred in distributing and dispatching income and other payments to Shareholders;
- fees and expenses in respect of the publication and circulation of details of Share prices;
- the fees, expenses and disbursements of the Auditors and tax, legal and other professional advisers of the *Company*;
- the costs of convening and holding Shareholder meetings (including meetings of Shareholders in any particular Class) and of producing associated documentation;
- the costs of preparing, printing and distributing reports, accounts and 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;
- taxation and duties payable by the *Company* without limitation in respect of the *Scheme Property* or the issue or redemption of Shares;
- fees and expenses incurred in acquiring, disposing of and registering investments (including brokers' commissions any issue or transfer taxes or stamp duty);
- 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;
- 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;

- all expenses of any nature of or incidental to deposits of cash made by the Company;
- 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);
- 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;
- safe custody charges;
- costs of dealing in the Scheme Property necessary to be incurred and normally shown in contract notes and similar documents;
- royalty fees incurred for the use of stock exchange index names;
- any liabilities on amalgamation or reconstruction of the Company arising after transfer of property to the Company in consideration for the issue of Shares in accordance with the COLL Sourcebook;
- directors' remuneration in the event that the Company has directors in addition to the ACD;
- the fees and expenses incurred in establishing any new Share Class, 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;
- any payments otherwise due by virtue of the applicable rules within the FCA Handbook;
- 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 Association as of October 2010 and for the time being in force.

Allocation of Fees and Expenses

All the above fees and expenses (other than those borne by the *ACD*) will be charged to the *Company*.

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 a supply of goods or services, such consideration is stated as exclusive of *VAT*

Instrument of Incorporation

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* in transferable securities, derivatives (for the purposes of efficient portfolio management), 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

The *Company* may from time to time issue *Shares* of different *Classes* 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).

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

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

General Meetings

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 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 *Shareholders'* 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 corporation, by a duly authorised representative.

Notices of meetings, and adjourned meetings or documents will be served on *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 *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 objective

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* 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* 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 Meetings

The above provisions, unless the context otherwise requires, apply to *Class* meetings as they apply to general meetings of *Shareholders* but by reference to *Shares* of the *Class* 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* by a 75% majority of those votes validly cast for and against such resolution.

Taxation

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 *Company* and investments in the *Company*. 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 assurance 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 *Company*

The *Company* is liable to corporation tax at a rate of 20% on its net income, excluding dividends which will generally not be subject to UK tax. The *Company* 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*.

The *Company* may be subject to withholding taxes on overseas income or gains which may be irrecoverable. Where irrecoverable foreign withholding tax is incurred by the *Company* 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.

The *Company* 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 *Company* including its proportionate interest in the income of the *Company* 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*.

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) Shareholders

It is possible to invest in all *Classes* of *Shares* of the *Company* 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 *Company* 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. Distributions by the *Company* will be made by dividend payment.

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 6th 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 the *Company*. 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 *the Company* 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 will not be payable if *Shares* are exchanged for *Shares* of a different class, which will 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 *Company* 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. Distributions by the *company* will be made by dividend payment.

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 *Company*, (which would generally include all dividend income of the *Company*), and that part which relates to the other income and is classified as an annual payment. Where the *Company* 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.

- **Increases in value of Shares**

Any UK Resident Corporate Investor holding *Shares* in the *company* which at any time in the period fails to meet the “qualifying investments” test must treat the *Company* holding as a creditor relationship. Generally, the *Company* 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 *Company*. 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* 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* 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.

Compliance with tax reporting requirements

As part of the process of buying *Shares*, and at various points throughout ownership of *Shares*, investors in the *Company* will be required to provide the *ACD* (or its delegate) with any information that the *Company* considers necessary to enable it to comply with its 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 FATCA Withholding tax on certain withholdable payments, which may have an adverse effect on the net asset value of 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 proposed implementation of the new legislation on the CRS in the UK is expected to be 31 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.

By signing the application form to subscribe for *Shares* in the *Company*, each *Shareholder* is agreeing to provide information upon request from the *ACD* or the *Company* which relates to tax reporting requirements. Please note that the *ACD* and the *Company* 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 the *Company*.

EU Financial Transaction Tax

After a period of consultation, on 28 September 2011 the European Commission presented a proposal for a financial transaction tax (“FTT”) in the European Union (“EU”). The proposal required

unanimous approval of all 27 Member States, and at the Council meetings in June and July 2012, it became clear that an FTT would not receive unanimous support in the foreseeable future.

On 23 October 2012, the Commission received a request from 11 Member States to proceed with proposals for an FTT to be agreed amongst a smaller number of Member States (a so-called enhanced cooperation procedure). The enhanced cooperation was authorised by the Council on 22 January 2013. The 11 Member States forming the FTT zone are Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia, and Spain ("EU11"). In December 2015, Estonia announced that it had withdrawn from the EU FTT negotiations, thus reducing the number of participating Member States to 10 ("EU10").

The objectives of the new proposal are:

- To harmonise the tax treatment within the EU for financial services and reduce the distortions or competition across the EU.
- To ensure financial institutions make a fair and substantial contribution towards covering the cost of the recent financial crisis.
- To avoid future financial crises by providing disincentives for transactions which do not enhance the efficiency of financial markets.

The FTT under the enhanced cooperation procedure is proposed to be levied on all 'financial transactions' in 'financial instruments'. It applies when at least one party to the transaction (acting either for its own account or for the account of another person, or is acting in the name of a party to the transaction) is a "financial institution" established in the EU10 or when the 'financial instrument' which is the subject of the transaction is issued in the EU10.

A joint statement issued in May 2014 by ten of the previous eleven participating Member States indicated an intention to implement the FTT progressively, such that it would initially apply to shares and certain derivatives, with this initial implementation occurring by 1 January 2016. It is now hoped that the remaining participating Member States will reach agreement on the FTT by June 2016, with implementation expected to take place in early 2017. There is therefore likely to be an implication for funds with investments in the EU10. Transactions with counterparties resident in the EU10 may also trigger a liability to the FTT.

A number of critical issues concerning the design of the FTT regime remain unresolved by the EU10 and existing proposals are subject to change. It therefore remains to be seen how the FTT will impact the *Company*.

Winding up of the Company

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

Winding up 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 of the *Company*) either that the *Company* will be able to meet its liabilities (including contingent and prospective) within 12 months of the date of the statement or that the *Company* will be unable to do so. The *Company* 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* will be wound up under the *COLL Sourcebook*:

1. if an extraordinary resolution to that effect is passed by *Shareholders*; or
2. if the *Share* capital of the *Company* is below its prescribed minimum 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
3. if the *FCA* agrees to a request by the *ACD* for the revocation of the authorisation order in respect of the *Company*.

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*;
2. the *Company* will cease to issue and cancel *Shares*;
3. the *ACD* shall cease to sell or redeem *Shares* or arrange for the *Company* to issue or cancel them for the *Company*;
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. 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* falls to be wound up, realise the assets and meet the liabilities of the *Company* 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 to *Shareholders* proportionately to their rights to participate in the *Scheme Property* of the *Company*.

When the *ACD* has caused all the *Scheme Property* to be realised and all of the liabilities of the *Company* 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*) in proportion to their holdings in the *Company*.

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*, 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

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

or

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 9.00am and 5.00pm 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 *ACD Agreement* 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 in 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* effective from 24 December 2004 (as amended by a 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 compliance officer of the *ACD* at (i) PO BOX 9908, Chelmsford, Essex CM99 2AF by investors who have invested via the *Child Trust Fund* or the *Adult ISA* and (ii) PO Box 1188, Cheltenham, GL50 9UE by investors who have invested via the *Junior ISA* 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 the appropriate above address.

Appendix I

Investment and Borrowing Powers and Restrictions

Investment Restrictions

The property of the *Company* will be invested with the aim of achieving the investment objective of the *Company* 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 *Company's* investment policy.

The *ACD* shall ensure that, taking into account the investment objective of the *Company* and its investment policy, the property of the *Company* aims to provide a prudent spread of risk. Particular requirements as to this spread of risk are set out 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 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* 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 the *Company* having regard to the relevant criteria in the *COLL Sourcebook* and guidance from the *FCA*. Such markets must operate regularly and 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 *Company* are set out in Appendix III.

Spread: general

The requirements on spread of investments does 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.

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 13th 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 per cent. in value of the *Scheme Property* may 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.

Note 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% in value of the *Scheme Property*. 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 per cent in value of the *Scheme Property* 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 the *Company* 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 II.

The *Company* may invest more than 35 per cent 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 *Company*;
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 any 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) The *Company* may invest in a transferable security only to the extent that the transferable security fulfils the following:

(a) the potential loss which the *Company* 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) The *Company* 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 UCITS Scheme 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* 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 *Company* 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 *EE 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 per cent. 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, the *Company* 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 *Company* 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

The *Company* may only invest in deposits 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 from the date of investment.

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 scheme.

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 the Company. 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 Company, 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 *Company* are set out in Appendix II.

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.
- (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 *Company* 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 *Depository* for the account of the *Company* may be entered into only if such *Scheme Property* can be held for the account of the *Company*, 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.

The *Company's* 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* transactions for the *Company* must be to achieve one of the following aims:

- (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 *Company* relates to the acquisition or potential acquisition of transferable securities, the *ACD* must intend that the *Company* 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 Company with no, or an acceptably low level of, risk which is consistent with the Company'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 *Company* 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 *Company*; and anticipated cash receipts of the *Company*, 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.

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 where investment is via the *Child Trust Fund* or the *Adult ISA* and at PO Box 1188, Cheltenham, GL50 9UE where investment is via the *Junior ISA*.

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 and 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 the above paragraph, "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 also 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 *Depository* have agreed is reliable, or, if this value is not available on the basis of a pricing model which the ACD and *Depository* have agreed uses an adequate recognised methodology; and
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.

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

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 *Company*.

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 business of that body corporate; or
2. the acquisition gives the *Company* that such 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*:

must not acquire transferable securities other than debt securities which

1. (a) do not carry 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 issuing 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 *Company's* request, may enter into stocklending transactions (involving a disposal of securities in the *Company* 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 *Company* with an acceptable degree of risk.

Such transactions must always comply with the 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

Underwrite 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

A potential breach of any of these limits does not prevent the exercise of rights conferred by the investments held by the *Company* 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 II 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 III

Eligible Securities Markets and Eligible Derivatives Markets

Eligible Securities Markets

A securities market is an eligible market if it is the principal or only market established under the rules of any of the following investment exchanges in the United Kingdom plus any past or future component exchanges/acquirers thereof:

the Alternative Investment Market.

In addition to the above, the *Company* can invest in any securities market of the United Kingdom on which transferable securities are admitted to official listing and dealt or traded.

Eligible Derivatives Markets

A *Derivatives* market is an eligible market if it is established under the rules of any of the following designated or recognised investment exchanges in the United Kingdom: plus any past or future component exchanges/acquirers thereof

ICE Futures US

Turquoise Derivatives

In addition to the above, the *Company* can invest in any *Derivatives* market of the United Kingdom on which *Derivatives* are admitted to official listing and dealt or traded

Appendix IV ICVCs and Authorised Unit Trusts Managed by the ACD

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

ICVC	Funds Available
RBS Investment Funds ICVC	Balanced Fund Equity Income Fund Extra Income Fund Growth Fund High Yield Fund International Growth Fund
RBS Investment Options ICVC	Income Fund Cautious Growth Fund Balanced Growth Fund Adventurous Growth Fund Your Portfolio Fund II Your Portfolio Fund III Your Portfolio Fund IV Your Portfolio Fund V Your Portfolio Fund VI

Appendix V 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 2015. **The figures do not include the effect of any redemption fees.**

Share Class 1 - Yearly performance figures over five years

% Growth

1/1/2016 to 31/12/2016	1/1/2015 to 31/12/2015	1/1/2014 to 31/12/2014	1/1/2013 to 31/12/2013	1/1/2012 to 31/12/2012
+11.3	-0.4	+4.8	+7.5	+6.7

Appendix VI Directors of the ACD

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

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

Appendix VII- List of Subcustodians and other delegates

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

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

***TEMPORARY SUSPENSION** PLEASE CONTACT YOUR RELATIONSHIP MANAGER FOR FURTHER INFORMATION*

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

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

** J.P. Morgan affiliate

UK - 215002050.4

Correspondent banks are listed for information only.

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

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

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

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

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

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

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

Market	Subcustodian	Cash Correspondent Bank
UKRAINE	PJSC Citibank 16-G Dilova Street 03150 Kiev UKRAINE	PJSC Citibank Kiev JPMorgan Chase Bank, NA** New York
UNITED ARAB EMIRATES – ADX	HSBC Bank Middle East Limited Emaar Square, Level 4, Building No. 5 P.O. Box 502601 Dubai UNITED ARAB EMIRATES	The National Bank of Abu Dhabi Abu Dhabi
UNITED ARAB EMIRATES - DFM	HSBC Bank Middle East Limited Emaar Square, Level 4, Building No. 5 P.O. Box 502601 Dubai UNITED ARAB EMIRATES	The National Bank of Abu Dhabi Abu Dhabi
UNITED ARAB EMIRATES – NASDAQ DUBAI	HSBC Bank Middle East Limited Emaar Square, Level 4, Building No. 5 P.O. Box 502601 Dubai UNITED ARAB EMIRATES	JPMorgan Chase Bank, N.A.** New York
UNITED KINGDOM	JPMorgan Chase Bank, N.A.** 25 Bank Street, Canary Wharf London E14 5JP UNITED KINGDOM Deutsche Bank AG Depository and Clearing Centre 10 Bishops Square London E1 6EG UNITED KINGDOM	JPMorgan Chase Bank, N.A.** London Varies by currency
UNITED STATES	JPMorgan Chase Bank, N.A.** 4 New York Plaza New York NY 10004 UNITED STATES	JPMorgan Chase Bank, N.A.** New York
URUGUAY	Banco Itaú Uruguay S.A. Zabala 1463 11000 Montevideo URUGUAY	Banco Itaú Uruguay SA Montevideo
VENEZUELA	Citibank, N.A. Avenida Casanova Centro Comercial El Recreo Torre Norte, Piso 19 Caracas 1050 VENEZUELA	Citibank, N.A. Caracas
VIETNAM	HSBC Bank (Vietnam) Ltd. Centre Point 106 Nguyen Van Troi Street Phu Nhuan District Ho Chi Minh City VIETNAM	HSBC Bank (Vietnam) Ltd. Ho Chi Minh City

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** J.P. Morgan affiliate

Correspondent banks are listed for information only.

Market	Subcustodian	Cash Correspondent Bank
WAEMU - BENIN, BURKINA FASO, GUINEA-BISSAU, IVORY COAST, MALL, NIGER, SENEGAL, TOGO	Standard Chartered Bank Cote d'Ivoire SA 23 Boulevard de la Republique 1 01 B.P. 1141 Abidjan 17 IVORY COAST	Standard Chartered Bank Cote d'Ivoire SA Abidjan

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ZAMBIA	Standard Chartered Bank Zambia Plc Standard Chartered House Cairo Road P.O. Box 32238 Lusaka 10101 ZAMBIA	Standard Chartered Bank Zambia Plc Lusaka
ZIMBABWE	Stanbic Bank Zimbabwe Limited Stanbic Centre, 3rd Floor 59 Samora Machel Avenue Harare ZIMBABWE	Stanbic Bank Zimbabwe Limited Harare

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