

FP Shenkman Credit Funds ICVC

An investment company with variable capital

Prospectus
3rd February 2016

FP Shenkman Credit Funds ICVC

(the “Company”)

An investment company with variable capital

This Prospectus has been prepared by Fund Partners Limited, the Authorised Corporate Director, in accordance with the requirements of the rules of the Collective Investment Schemes Sourcebook which forms part of the FCA’s handbook of rules and guidance and complies with the requirements of COLL 4.2.2R of the COLL Sourcebook. The Company is also subject to the Open Ended Investment Companies Regulations 2001 (the “OEIC Regulations”).

This prospectus is dated, and is valid as at, 3rd February 2016.

If you are in any doubt about the contents of this Prospectus, you should consult your financial adviser.

This Prospectus is intended for distribution primarily in the European Economic Area (the “EEA”). Its distribution may be restricted in other countries. It does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so, or to anyone to whom it is unlawful to make such an offer or solicitation. Persons interested in investing in FP Shenkman Credit Funds ICVC should inform themselves about and observe the legal requirements within their own countries for the acquisition of shares of the Company and any taxation or exchange control legislation affecting them personally, including the obtaining of any requisite governmental or other consents and the observation of any other formalities.

The Company has been constituted so as to comply with the “Council Directive on the co-ordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities” (85/611/EEC) - the UCITS Directive – and subsequent related directives.

The sale of the shares in the sub fund FP Shenkman High Yield Europe Plus Fund has been notified to the Federal Banking Supervisory office (*Bundesanstalt für Finanzdienstleistungsaufsicht*, (“BaFin”)) in Germany in accordance with the German Investment Act (*Investmentgesetz-InvG*). The sub fund FP Shenkman Hansa High Yield Fund is not to be publicly distributed in Germany. Further information for German investors is set out in Appendix 4.

The FP Shenkman High Yield Europe Plus Fund is suitable to be promoted in Israel but only to Sophisticated Investors. Investors will be required to self-certify their status at the point of application.

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DEFINITIONS

“ACD”	Fund Partners Limited.
“Accumulation Shares”	shares (of whatever Class) issued from time to time and in respect of which income allocated thereto is credited periodically to capital in accordance with relevant tax law without any tax being deducted or accounted for by the Company. No income is distributed for these types of shares. Accumulation Shares are designated “(Acc).”
“Approved Bank”	<p>in relation to a bank account opened by the Company:</p> <p>(a) if the account is opened at a branch in the United Kingdom:</p> <ul style="list-style-type: none">(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 <p>(b) if the account is opened elsewhere:</p> <ul style="list-style-type: none">(i) a bank in (a); or(ii) a credit institution established in an EEA State other than in the United Kingdom and duly authorised by the relevant Home State Regulator; or(iii) a bank which is regulated in the Isle of Man or the Channel Islands; or <p>(c) a bank supervised by the South African Reserve Bank.</p>
“Business Day”	a day on which clearing banks and stock exchanges are open for business during normal trading hours in each of London, Dublin and Frankfurt.
“Clearstream”	Clearstream Banking AG.
“Company”	FP Shenkman Credit Funds ICVC.
“Cut-Off Time”	the time as stipulated in the Supplement for the relevant Fund by which applications for subscriptions, redemptions or conversions must be received by the ACD or Marcard on the relevant Dealing Day for that day’s valuation.
“Dealing Day”	the day stipulated in the Supplement for the relevant Fund on which applications for subscriptions and redemptions which have been accepted by the ACD or Marcard by no later than the Cut-Off Time on that day will be executed at the valuation as determined at the Valuation Point on that day.
“Depository”	National Westminster Bank Plc.
“EEA State”	a member state of the European Union and any other state which is in the European Economic Area.

“Eligible Institution”	one of certain eligible institutions being a BCD credit institution authorised by its home state regulator, as defined in the glossary of definitions in the FCA Handbook, or a MiFID investment firm authorised by its home state regulator as defined in the glossary of definitions in the FCA Handbook.
“FATCA”	the US provisions commonly called the Foreign Account Tax Compliance Act as set out in sections 1471 to 1474 of, and other amendments to, the US Internal Revenue Code of 1986 (as amended) and the regulations, notices and announcements issued in connection with them.
“FCA”	Financial Conduct Authority.
“FCA Rules”	the rules contained in the Collective Investment Schemes Sourcebook as amended from time to time, published by the FCA as part of its handbook of rules made under the Act which shall, for the avoidance of doubt, not include guidance or evidential requirements contained in the said sourcebook.
“Fund” or “Funds”	a sub-fund or sub-funds of the Company. Each Fund forms part of the property of the Company but it is pooled separately and is invested in accordance with the investment objective applicable to that Fund.
“Gross Paying Shares”	shares (of whatever Class) issued from time to time and in respect of which income allocated thereto is distributed periodically to the holders thereof in accordance with relevant tax law without any tax being deducted or accounted for by the Company. Gross Paying Shares are designated “(Inc).”
“Gross Payments”	means distributions or allocations to capital of income made periodically in respect of a gross paying share without any United Kingdom tax being deducted or accounted for by the Company in accordance with relevant tax law.
“Hedged Share Class”	a class of shares in respect of which the Company effects a hedge from the currency denomination of the assets concerned back to the currency of the Share Class concerned.
“Instrument of Incorporation”	the instrument of incorporation of the Company as amended from time to time.
“Investment Manager”	Shenkman Capital Management, Inc., New York, New York, U.S.A.
“Marcard”	Marcard, Stein & Co AG, Ballindamn 36, D-20095, Hamburg, Germany.
“Minimum Initial Investment”	means such amount as may be determined by the ACD in relation to any Fund or Class within a Fund and set out in the applicable Supplement for that Fund.
“Minimum Subsequent Investment”	means such amount as may be determined by the ACD in relation to any Fund or Class within a Fund and set out in the applicable Supplement for that Fund.
“Minimum Holding”	means such greater or lesser amount as may be determined by the ACD in relation to any Fund or Class within a Fund and set out in the applicable Supplement for that Fund.

“Net Asset Value” or “NAV”	the value of the property of (or attributable to) the Company, a Fund or a Class (as the context may require) less the liabilities of (or attributable to) the Company, Fund or Class concerned as calculated in accordance with the Instrument of Incorporation.
“Net Asset Value per Share” or “NAV per Share”	the Net Asset Value of a Class in issue in respect of any Fund divided by the number of shares of the relevant Class in issue or deemed to be in issue in that Fund.
“Non-Qualified Person”	<p>any person:</p> <ul style="list-style-type: none"> (a) to whom a transfer of shares (legally or beneficially) or by whom a holding of shares (legally or beneficially) would or, in the reasonable opinion of the ACD, might: <ul style="list-style-type: none"> (i) 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 (ii) would (or would if other shares are acquired or held in like circumstances) result in the Company incurring any liability to taxation or suffering any other adverse consequence (including a requirement to register under any securities or investment or similar laws or governmental regulation of any country or territory); or (b) who, being the holder of gross paying shares ceases or fails for whatever reason to be entitled to hold Gross Paying Shares.
“OECD”	Organisation for Economic Co-operation and Development whose current members are the member states of the European Union plus Australia, Canada, Chile, Israel, Korea, New Zealand, Switzerland, the United States, Iceland, Japan, Mexico, Norway and Turkey. Member countries may change from time to time.
“OEIC Regulations”	Open-Ended Investment Company Regulations 2001 as amended from time to time.
“Regulated Activities Order”	Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 SI2001/544 as amended from time to time.
“Scheme Property”	the property of the Company or such part of it as is attributable to a particular Fund, as the context may require in each case, from time to time.
“Share Class” or “Class of Shares” or “Class”	all of the shares issued by the Company as a particular class of shares relating to a single Fund.
“UCITS Directive”	the Directive of 13 July 2009 (2009/65/EC) as amended from time to time.
“Valuation Point”	means the time as stipulated in the Supplement for a Fund on the relevant Dealing Day at which the Net Asset Value of the Scheme Property of a Fund will be determined for each Class of shares.

DIRECTORY

Authorised Corporate Director (“ACD”)

Fund Partners Limited (a UK firm authorised & regulated by the FCA)
Cedar House
3 Cedar Park
Cobham Road
Wimborne
Dorset
UNITED KINGDOM
BH21 7SB
Telephone: +44 (0) 1202 855 856
Facsimile: +44 (0) 1202 855 850

Depository

National Westminster Bank Plc (authorised & regulated by the FCA)
135 Bishopsgate
London
EC2M 3UR

Investment Manager

Shenkman Capital Management, Inc. (registered with the U.S. Securities and Exchange Commission)
461 Fifth Avenue, 22nd Floor
New York, New York 10014
United States of America

Custodian

RBC Investor Services Trust (authorised & regulated by the FCA)
UK Branch
Riverbank House
2 Swan Lane
London
EC4R 3AF

Administrator / Registrar

RBC Investor Services Ireland Limited
George’s Quay House
43 Townsend Street
Dublin 2
Ireland

Auditor

Baker Tilly Audit LLP
25 Farringdon Street
London
EC4A 4AB

THE COMPANY AND THE FUNDS

Structure

FP Shenkman Credit Funds ICVC is an open-ended investment company with variable capital. The Company is incorporated with limited liability and registered in England and Wales under number IC000031.

The Company is an umbrella company authorised as a UCITS scheme for the purposes of the FCA Rules and, as at the date of this Prospectus, consists of two Funds: FP Shenkman High Yield Europe Plus Fund and FP Shenkman Hansa High Yield Fund.

Subject to the Regulations and the Instrument of Incorporation, the ACD may establish additional Funds from time to time.

The duration of the Company and each of the Funds is not limited.

Liability of shareholders

Each of the Funds has a segregated portfolio of assets and accordingly, the assets of a Fund belong exclusively to that Fund and shall not be used to discharge directly or indirectly the liabilities of or claims against any other person or body including the Company and any other Fund and shall not be available for any such purpose.

Whilst the provisions of the OEIC Regulations provide for segregated liability between Funds, these provisions are subject to the scrutiny of the courts and it is not free from doubt, in the context of claims brought by local creditors in foreign courts or under foreign law contracts, that the assets of a Fund will always be 'ring fenced' from the liabilities of other Funds of the Company.

Each Fund will be charged with the liabilities, expenses, costs and charges of the Company attributable to that Fund and within the Funds charges will be allocated between Classes in accordance with the terms of issue of Shares of those Classes. Any assets, liabilities, expenses, costs or charges not attributable to a particular Fund may be allocated by the ACD in a manner which it believes is fair to the shareholders generally. This will normally be pro rata to the Net Asset Value of the relevant Funds.

Incorporation and address for service

The Company is incorporated in England and Wales with registered number IC000031. Its head office, and address for service of notices or other documents, is at:

Cedar House
3 Cedar Park
Cobham Road
Wimborne
Dorset
UNITED KINGDOM
BH21 7SB

Authorisation

The Company was authorised by an order made by the FCA with effect from 20th May 1999.

Base currency

The base currency for the Company is the Euro. The maximum size of the Company's capital is €10,000,000,000 and the minimum size is €50,000.

Governing laws and instruments

The operation of the Company is governed by the OEIC Regulations, the FCA Rules, the Company's Instrument of Incorporation and this Prospectus.

INVESTMENT OBJECTIVES AND POLICY

Investment objectives and policy

Details of the investment objectives, policy and certain terms relating to an investment in the Funds are set out in the Supplements.

The choice of a Fund should be based on the investor's attitude to risk, desire for income and/or growth, and intended length of time for investment and an investment in a Fund should be considered in the context of the investor's overall portfolio. Further details of the typical investor profile of each Fund can be found in the Supplement relating to the relevant Fund. Investors should seek professional advice before making investment decisions.

INVESTMENT AND BORROWING POWERS

The investment objectives and policy of the Funds are subject to limits on investment set out in the FCA Rules a summary of the relevant provisions of which is set out in Appendix 3.

Efficient Portfolio Management

The ACD may enter into transactions for the purposes of efficient portfolio management within the powers provided by the FCA Rules. Generally the requirements of the FCA Rules are that any such transaction must be economically appropriate to the reduction of the relevant risk or risks that the is seeking to cover and that the exposure of the Company must be fully covered by cash or other property sufficient to meet any obligation to pay or deliver that could arise.

In pursuing its objectives, each Fund may enter into transactions involving derivatives including, without limitation, credit derivatives, when it deems them economically appropriate and when the appropriate cover is available. The objectives of these transactions are to achieve one or more of the following aims: the reduction of risk, the reduction of cost, and the generation of additional capital or income.

Derivative transactions include the purchase and sale of futures contracts, purchase and sale of call and put options, interest rate and currency swaps, total return swaps. For the purposes of managing currency risk the Company may enter into forward currency transactions.

All these types of transactions may involve derivatives (i.e. futures, options or contracts for differences) which are dealt in or traded on an approved derivatives market or, in special circumstances, are "off-exchange options," "off-exchange futures" or "synthetic futures" and may also involve forward transactions in currencies with certain counterparties. All transactions must be covered in order to limit the exposure to risk.

The FCA Rules contain provisions designed to ensure that mere speculation is not classified as efficient portfolio management, that the purposes of the exercise of the relevant powers is to control or manage risk rather than to take advantage of risk and that enhancement strategies may be undertaken only where the Company is reasonably certain to obtain benefit thereby.

A summary of transactions permitted for the purposes of efficient portfolio management is as follows:-

- (i) Scheme Property may be used in transactions to close out another transaction. It may also be used in transactions which the ACD reasonably regards as economically appropriate to the reduction of risk or cost (and not speculation) arising in the management of each Fund as a result of fluctuations in: the price of the Scheme Property or any part of a Fund; the price of property which it is proposed should be acquired for a Fund; the price of transferable securities of a particular description or relating to particular geographic or economic sectors where it is proposed that such securities should be acquired for a Fund; interest rates; or, exchange rates. For example, the ACD may sell a future linked to an index with the intention of reducing exposure to particular issuers or markets;
- (ii) the ACD may enter into a particular transaction which it reasonably regards as economically appropriate in order to acquire or dispose of Scheme Property where the total price of the transaction (i.e. including any associated or eventual price of the transaction, for example the exercise price of an

option) is reasonably regarded by the ACD as certain to be more advantageous than the price that would be payable if it were to acquire or dispose of the underlying property direct;

- (iii) the ACD may also enter into transactions it reasonably regards as economically appropriate to the reduction of risk or cost associated with cash flow arising in the management of a Fund by reason of any receipt or expenditure of money which is certain to take place at some time and is anticipated to take place within one month. By this method, the ACD may be able to control to some extent the cash flow within each Fund;
- (iv) the ACD is also permitted to enter into transactions it reasonably regards as economically appropriate with a view to generating additional income or capital for a Fund with no, or an acceptable degree of, risk. The ACD may enter into transactions to take advantage of pricing imperfections in the markets (arbitrage). The Fund may write call options (giving the Fund an obligation to sell transferable securities if called upon to do so) or write put options (giving the Fund an obligation to buy transferable securities if called on) but only on the basis that the ACD reasonably regards it as certain that the Fund will derive some benefit. If a call option is written, then the Fund must hold sufficient property which may be called on if the holder of the option decides to exercise it. If a put option is written then it must, if not exercised, have a reasonable expiry date and must relate to property which the ACD wishes to include within the Scheme Property at the time of writing or exercise of the option;
- (v) as part of its powers of efficient portfolio management, the Fund may enter into stocklending transactions or repurchase agreements where it reasonably appears to the ACD to be economically appropriate to do so with a view to generating additional income for the Fund with no, or an acceptable degree of, risk. Briefly, such transactions occur where the Fund disposes of the securities which are the subject of the transaction in return for which it is agreed that securities of the same kind and amount should be transferred back at a later date. The Fund at the time of disposing of the securities also receives assets as collateral to cover against the risk of the future transfer back not being completed. Such transactions must always comply with the relevant requirements of the Income and Corporation Taxes Act 1988 (and regulations made under it), the FCA Rules, and Guidance issued by the FCA on such transactions. There is no limit on the value of the Scheme Property which may be the subject of stocklending transactions.

DISTRIBUTIONS

Accounting period

The Company's annual accounting period ends on 30 November each year.

Interim accounting period

The interim accounting period for each Fund will be as set out in the relevant Supplement.

Payment of income

The income allocation dates in respect of each Fund will be as set out in the relevant Supplement. Payments of income will be made within four months of the end of the relevant accounting period.

Distribution statements and tax certificates will be sent to shareholders by the Administrator. Payments, to be made by wire transfer for the amount of the net distribution, to each shareholder will be made to the bank account requested by such shareholder (or, in the case of joint holders, made to the joint bank account they have requested). Please see **Appendix 4: Additional Information for Investors in the Federal Republic of Germany, for treatment of shareholders domiciled in Germany.**

Income equalisation

The tax treatment of equalisation payments will vary according to the place of residence of the shareholder.

Example of UK tax treatment

Shares purchased during an accounting period will contain in their purchase price an amount called “equalisation” which represents a proportion of the net income of the relevant Fund already accrued up to the date of the purchase. This will be refunded to those holders of Gross Paying Shares as part of their first distribution or accumulated for holders of Accumulation Shares, but for tax purposes is treated as a return of capital. Being capital it is not liable to income tax but where distributed in relation to Gross Paying Shares must be deducted from the base cost of shares for capital gains tax purposes.

The amount of income equalisation is either the actual amount of income included in the issue price of that share or is calculated by dividing the aggregate of the amounts of income included in the price of shares issued or sold to shareholders in an annual or interim accounting period by the number of those shares and applying the resultant average to each of the shares in question.

Determination of distributable income

The income available for distribution in relation to a Fund is determined in accordance with the FCA Rules which, in summary, provide that it is the aggregate of the income properly received or receivable for the account of the Company and attributable to a Fund in respect of the accounting period concerned, after deducting charges and expenses paid or payable out of such income in respect of that period and after making such adjustments as the ACD considers appropriate, after consulting the auditors in accordance with the FCA Rules, in relation to taxation, income equalisation, income unlikely to be received within 12 months following the relevant income allocation date and other matters.

Unclaimed distributions

Any distribution that is unclaimed six years after the date it became due for payment may be forfeited and revert to the property of the Company.

Publication of Prices

The shares of the FP Shenkman High Yield Europe Plus Fund are presently marketed in Germany and the prices of such shares are published daily in the Handelsblatt in Germany and in the event the shares are marketed in the UK, the prices will also be published in the Financial Times, Trustnet or a similar publication in the UK, the cost of such publication being charged to the Company. Neither the Company nor the ACD are responsible for any errors in publication or for non-publication. The ACD issues and redeems shares on a forward pricing basis, not on the basis of the published prices.

THE CHARACTERISTICS OF SHARES IN THE COMPANY

Classes and voting rights

Shares will be issued by the Company from time to time. Details of the Share Classes available for investment in each Fund are set out in the relevant Supplement for that Fund. The creation of additional classes in the future is not excluded. The scale of initial and periodic charges for the current Share Class is set out in the relevant Supplement. The Company is currently permitted to issue the following Share Classes:

Gross Paying Shares:

- FP Shenkman High Yield Europe Plus A (Inc) (Euro)
- FP Shenkman High Yield Europe Plus A (Inc) (Pound Sterling)
- FP Shenkman High Yield Europe Plus B (Inc) (Euro)
- FP Shenkman High Yield Europe Plus A (Inc) (Pound Sterling Hedged)
- FP Shenkman Hansa High Yield A (Inc) (Euro)

Accumulation Shares:

- FP Shenkman High Yield Europe Plus A (Acc) (Pound Sterling)
- FP Shenkman High Yield Europe Plus A (Acc) (Euro)

- FP Shenkman High Yield Europe Plus B (Acc) (Euro)

Under the Instrument of Incorporation, the Company is currently permitted to issue the following further Share Classes or any other Share Classes that the ACD may by resolution from time to time decide:

- Income Shares (Net and Gross)
- Accumulation Shares (Net and Gross)

Each of the above classes of Shares may be further classified as “Retail,” “Institutional” or “Hedged” using one or more of the letters “A” to “Z” (inclusive), the numbers “0” to “9” (inclusive) or under such other designation as the ACD may by resolution from time to time decide.

Hedged Share Classes

For Hedged Share Classes, the intention will be to hedge the total return from the currency of denomination of the assets concerned back to the currency of the Share Class concerned.

It is intended to carry out such hedging through the utilisation of various techniques, including entering into over-the-counter (“OTC”) currency forward contracts and foreign exchange swap agreements. The hedging will be between the currency of the Hedged Share Class and the base currency of the Company. Individual investments will not be hedged.

The ACD will review the hedging position of each Hedged Share Class on a daily basis but will only adjust the hedge where there is a material change in the Net Asset Value of the Share Class concerned. Shareholders should be aware that Currency Hedged Share Classes aim to reduce exposure to exchange rate fluctuations at Share Class level. However, investors in the Hedged Share Classes will still be exposed to the market risks that relate to the underlying investments in a Fund and to any exchange rate risks that arise from the investment policy of the Fund that are not fully hedged and to other risks as further set out under the section headed “Specific Risks.”

All costs, expenses, gains and losses incurred/accrued from the currency hedge transactions will be borne on a pro rata basis by all Hedged Share Classes denominated in the same currency issued within the same Fund.

Investors should be aware that any currency hedging process may not give a precise hedge. Furthermore, there is no guarantee that the hedging will be totally successful. Investors in the Hedged Share Classes may have exposure to currencies other than the currency of their Share Class.

Shareholder Meetings

Entitlement to receive notice of a particular meeting or adjourned meeting and to vote at such a meeting is determined by reference to those persons who are holders of shares in the Company on the date seven days before the notice is deemed to have been served in accordance with the FCA Rules, but excluding any persons who are known not to be holders at the relevant date.

At a meeting of shareholders, on a show of hands every holder who (being an individual) is present in person or by proxy or, if a corporation, is present by a properly authorised representative, has one vote. On a poll votes may be given either personally or by proxy and the voting rights attached to a share are such proportion of the total voting rights attached to all shares in issue as the price of the share bears to the aggregate price of all shares in issue on the cut-off date referred to above. A holder 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. A vote will be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by the chairman, by the Depositary or by two shareholders present in person or by proxy.

An instrument appointing a proxy may be in any usual or common form or in any other form approved by the ACD. It should be in writing under the hand of the appointor or his attorney or, if the appointor is a corporation, either under the common seal or under the hand of a duly authorised officer or attorney. A person appointed to act as a proxy need not be a holder. An instrument appointing a proxy must be left at such place (or places) as may be specified in or with the notice convening the meeting (or the head office if none is specified) at least 48 hours before the time of the meeting.

The quorum at a meeting of holders is two shareholders present in person or by proxy or (in the case of a corporation) by a duly authorised representative. If a quorum is not present within half an hour of the time appointed the meeting will (if requisitioned by shareholders) be dissolved and in any other case will be adjourned. If at such adjourned meeting a quorum is not present within 15 minutes from the appointed time, one person entitled to count in a quorum will be a quorum.

A corporation, being a holder, may by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of holders and the person so authorised is entitled to exercise the same powers on behalf of the corporation which he represents as the corporation could exercise if it were an individual holder.

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

Neither the ACD nor the manager may be counted in the quorum of, nor vote at, any meeting of the fund. Where an extraordinary resolution is required to conduct business at a meeting of shareholders and every shareholder is prohibited from voting due to this requirement, a resolution may, with the prior written agreement of the Depositary instead be passed with the written consent of shareholders representing 75% of the issued shares.

The ACD is entitled to attend any meeting but, except in relation to third party shares, is not entitled to vote or be counted in the quorum and any shares it holds are treated as not being in issue for the purpose of such meeting. An associate of the ACD is entitled to attend any meeting and may be counted in the quorum, but may not vote except in relation to third party shares. For this purpose third party shares are shares held on behalf of or jointly with a person who, if himself the registered shareholder, would be entitled to vote, and from whom the ACD or the associate (as relevant) has received voting instructions.

The Company's Instrument of Incorporation and the FCA Rules empower the shareholders in general meeting to sanction or require various matters (in some cases subject to FCA approval), including:

- the removal of the ACD;
- the amalgamation or reconstruction of the Company; and
- amendments to certain provisions of the Company's Instrument of Incorporation.

In certain cases (for example, the approval of changes to the investment objectives of the Company) an extraordinary resolution, i.e. a resolution notified and proposed as such and passed by a majority of not less than three-quarters of the votes validly cast, is required.

Other provisions of the Company's Instrument of Incorporation and the Prospectus may be changed by the ACD without the sanction of a shareholders' meeting in accordance with the FCA Rules.

The Company does not hold annual general meetings.

Class Rights

The rights attached to a Share Class may only be varied with the sanction of a resolution passed at a class meeting of the holders of the classes concerned. The provisions about notice and conduct of meetings summarised above will apply, with the necessary alterations, to class meetings.

Changes to the Instrument of Incorporation which relate only to a particular Class or Classes of Shares or a Fund and do not prejudice shareholders of any other Class or in any other Fund may, subject to certain exceptions, be made by an extraordinary resolution passed at a Fund meeting, Class meeting or Class meetings of the holders of the Share Class concerned.

Transfer of shares

A shareholder is entitled (subject as mentioned below) to transfer shares by an instrument of transfer in any usual or common form or in any other form approved by the ACD. The ACD is not obliged to accept a transfer

if it would result in the holder, or the transferee, holding less than the Minimum Holding of shares of the class in question. The instrument of transfer, duly stamped if it is required to be stamped, must be lodged with the Registrar for registration. The transferor remains the holder until the name of the transferee has been entered in the register.

The Company or the Administrator (acting as Registrar) may require the payment of such reasonable fee as the ACD and the Company may agree for the registration of any grant of probate, letters of administration or any other documents relating to or affecting the title to any share.

Mandatory redemption

If the ACD reasonably believes that any shares have been acquired or are being held beneficially or otherwise by a Non-Qualified Person it may give notice to the holder of such shares requiring him or her to transfer them to a person who is qualified or entitled to own them, or to request the redemption of the shares by the Company. If any person upon whom such a notice is served does not either transfer the shares to a qualified person or establish to the ACD's satisfaction (whose judgment shall be final and binding) that he or she and any person on whose behalf he or she holds the shares are qualified and entitled to hold and own them, he or she will be deemed on the expiry of a thirty calendar day period to have requested their redemption.

The provisions regarding the conduct of meetings set out above shall apply to meetings of a Fund or a Share Class within a Fund, but by reference to the shares of the Fund or Share Class concerned and the prices of shares in such Fund or Share Class.

THE AUTHORISED CORPORATE DIRECTOR ("ACD")

Structure

The ACD is Fund Partners Limited a private company limited by shares, incorporated in England and Wales on 19 February 2001 under the Companies Act 2006. The ACD is authorised and regulated by the FCA.

Registered office

The registered office of the ACD is at:

Cedar House
3 Cedar Park
Cobham Road
Wimborne
Dorset
UNITED KINGDOM
BH21 7SB

The directors of the ACD are:

Mr Vincent Hoare
Mr Peter Legg
Mr Kevin Lavery
Mr James Gardner

The non-executive director of the ACD is:

Mr Paul Wilcox

Issued share capital

The ACD has an issued share capital of 1 ordinary share fully paid-up, such ordinary share being worth £1 each. The ACD has a holding company, Professional Partners Administration Limited, a private company limited by shares, incorporated in England and Wales with number 7741075.

Authorisation to conduct investment business

The ACD is authorised and regulated by the Financial Conduct Authority in the United Kingdom.

Other regulated activities

The ACD may also act as a discretionary manager of other funds and segregated investment portfolios.

Conflicts

The ACD may provide investment services and authorised corporate director services to other clients and funds and to companies in which the Company may invest. In particular, without limiting the previous sentence, the ACD may act as investment manager or adviser or authorised corporate director to other investment funds with similar objectives to the Company.

When managing investments of the Company, the ACD will not be obliged to make use of information which in doing so would be a breach of duty or confidence to any other person.

Service agreement

The ACD provides its services to the Company under the terms of a service agreement which commences 1 August 2014.

The service agreement provides that the appointment may be terminated by either party after the expiry of 12 months' written notice or forthwith by the Company in the case of fraud, wilful default or gross negligence on the part of the ACD.

The service agreement provides that the Company will indemnify the ACD against any liability incurred by it defending any proceedings (whether civil or criminal) for negligence, default, breach of duty or breach of trust in relation to the Company in which judgment is given in its favour or it is acquitted or in connection with any application under Regulation 63 of the OEIC Regulations in which relief is granted to it by the Court.

DELEGATED FUNCTIONS

Investment Management

The ACD has delegated the investment management of the Company to Shenkman Capital Management, Inc., whose offices are at 461 Fifth Avenue, New York, New York, United States of America. The investment management services shall commence 1 August 2014.

The responsibilities that have been delegated to the Investment Manager are for discretionary investment management of each Fund in such a manner as the Investment Manager thinks fit with a view to achieving the investment objective of each Fund, as set out in the Instrument of Incorporation. Consequently, the Investment Manager is entitled to exercise complete discretion to buy, sell, retain, exchange or otherwise deal in the investments and other assets of each Fund without prior reference or notification to the ACD.

Company Administration

The ACD has delegated various aspects of the administration of the Company to RBC Investor Services Ireland Limited (the "Administrator"), whose offices are at George's Quay House, 43 Townsend Street, Dublin 2, Ireland.

The aspects that have been delegated to the Administrator are general administration; acceptance and review of notices and correspondence on behalf of the Company; calculation of NAV on each Valuation Point; arranging for publication of NAV; provision of relevant details to the auditors to permit preparation of accounts; preparation and forwarding of contract notes, certificates, statements, notices and other documents and acting as registrar of the Company.

Registrar

The Administrator is also acting as Registrar to the Company.

OTHER DIRECTORS

The Company has no other directors.

THE DEPOSITARY

Structure

The Depositary is National Westminster Bank Plc a body corporate incorporated in England & Wales whose registered and head office is at 135 Bishopsgate, London EC2M 3UR and having a principal place of business at Trustee & Depositary Services, Younger Building, 1st Floor, 3 Redheughs Avenue, Edinburgh EH12 9RH. The Depositary is regulated by the FCA in the conduct of its investment business and is not prohibited from acting as a depositary by the FSMA, the OEIC Regulations or by the Sourcebook and is independent (in terms of Regulation 15(8)(f) of the OEIC Regulations) of the Company and of the persons appointed as directors of the Company.

Principal business activity

The principal business activity of the Depositary is banking.

Authorisation

The Depositary is authorised by the Prudential Regulation Authority and regulated by the FCA and the Prudential Regulation Authority.

Depositary agreement

The Depositary provides its services under the terms of a depositary agreement.

The depositary agreement provides that the agreement may be terminated by either party after the expiry of 3 months' notice (subject in the case of notice given by the Depositary to the appointment of a successor). The Depositary is also indemnified in similar terms to the indemnity provided to the ACD referred to above.

THE INVESTMENT MANAGER

The ACD has delegated the Investment Management of the Company to Shenkman Capital Management, Inc. a body corporate incorporated under the laws of the State of New York, U.S.A.

Registered office

The registered office of the Investment Manager is at:

461 Fifth Avenue
New York, New York
UNITED STATES OF AMERICA
10017

Authorisation

The Investment Manager is regulated in the United States of America by the Securities and Exchange Commission.

Conflicts

The Investment manager provides investment services to other clients and funds, which may include companies in which the Company may invest. In particular, without limiting the previous sentence, the Investment Manager may act as investment manager or adviser to other investment funds with similar objectives to the

Company. When managing investments of the Company, the ACD will not be obliged to make use of information which in doing so would be a breach of duty or confidence to any other person.

Investment management agreement

The Investment Manager provides its services of discretionary investment management to the ACD under the terms of an investment management agreement.

After the first two and a half years, the investment management agreement provides that the agreement may be terminated by either party after the expiry of six months' notice.

AUDITOR

The auditor to the Company is Baker Tilly of 25 Farringdon Street London EC4A 4AB.

THE REGISTER OF SHAREHOLDERS

A copy of the register will be kept at the office of the Administrator and will be available at the office of the Administrator, RBC Investor Services Ireland Limited, George's Quay House, 43 Townsend Street, Dublin 2, Ireland.

PAYMENTS TO THE ACD OUT OF SCHEME PROPERTY

Remuneration

The ACD is entitled to a periodic charge out of the Scheme Property of the relevant Fund, based on the value of the Scheme Property calculated in accordance with the provisions at Valuation of Scheme Property on page 24, by way of remuneration for its services.

The current rates (per annum) of such charge are set out in respect of each Share Class in the Supplement for the relevant Fund.

Such fees will be payable with the addition of VAT (if applicable).

The periodic charge is calculated as a percentage of the average values of the Scheme Property during the course of past month (calculated at each Dealing Day) and is payable within five Business Days after the end of the relevant month.

The first accrual will be in respect of the period from the day on which the first valuation of a Fund is made up to (and including) the last regular Dealing Day of that month, and the above provisions will apply accordingly.

The periodic charge will be taken from the income or capital property of the Funds as set out in the relevant Supplement. Please see the Risks on pages 29 to 31.

Expenses

The ACD is also entitled to be reimbursed by the relevant Fund for all reasonable out-of-pocket expenses incurred in the performance of its duties to the Fund including stamp duty and stamp duty reserve tax on shares in the Fund.

OTHER PAYMENTS OUT OF THE SCHEME PROPERTY

Remuneration of the Depositary

The Depositary receives for its own account a periodic fee which will accrue daily and is payable monthly on the last Business Day in each calendar month in respect of that day and the period since the last Business Day in the preceding month and is payable within five Business Days after the last Business Day in each month. The fee is calculated as a percentage of the average values of the Scheme Property during the course of the past month (calculated at each Dealing Day) except for the first accrual which is calculated by reference to the first Valuation Point of the Fund up to (and including) the last regular Dealing Day of that month.

The rate of the periodic fee is agreed between the ACD and the Depositary and is currently 0.04% per annum, subject to a minimum fee of £15,000 per annum in respect of the sub fund FP Shenkman Hansa High Yield Fund, and £85,000 per annum in respect of the FP Shenkman High Yield Europe Plus Fund.

These rates can be varied from time to time in accordance with the FCA Rules.

The first accrual in relation to any Fund will take place in respect of the period beginning on the day on which the first valuation of that Fund is made and ending on the last business day of the month in which that day falls.

Where relevant, the Depositary may make a charge for (or otherwise benefit from) providing services in relation to: distributions, the provision of banking services, holding money on deposit, lending money, or engaging in stock lending or derivative transactions, in relation to the Fund and may purchase or sell or deal in the purchase or sale of Scheme Property, provided always that the services concerned and any such dealing are in accordance with the provisions of the FCA Rules.

The Depositary will also be entitled to payment and reimbursement of all costs, liabilities and expenses properly incurred in the performance of, or arranging the performance of, functions conferred on it by the Instrument, the FCA Rules or by the general law.

On a winding up of the Company or termination of a Fund the Depositary will be entitled to its pro rata fees, charges and expenses to the date of winding up, the termination, or the redemption (as appropriate) and any additional expenses necessarily realised in settling or receiving any outstanding obligations.

Any value added tax on any fees, charges or expenses payable to the Depositary will be added to such fees, charges or expenses.

In each such case such payments, expenses and disbursements may be payable to any person (including the ACD or any associate or nominee of the Depositary or of the ACD) who has had the relevant duty delegated to it pursuant to the FCA Rules by the Depositary.

Remuneration of the Custodian

The Custodian will also be entitled to custodial and transaction fees varying according to the country in which assets of the Company are held, as agreed from time to time. Custodial fees will be based on the value of Scheme Property in that country, will accrue and be payable on the same basis as the periodic charge. Currently, a minimum fee per annum of \$75,000, excluding transaction charges and out of pocket expenses will be charged.

Such fees will be payable with the addition of VAT (if applicable).

Remuneration of the Administrator

The Administrator will provide fund accounting and administration services, including calculating the Net Asset Value and financial reporting. Annual fund accounting / administration charges on the average Net Asset Value will be payable by the Company out of the Scheme Property.

The Administrator, in relation to the provision of its services shall be entitled to a fee payable out of the assets of each Fund accruing daily and payable monthly in arrears at the end of each calendar month which includes the following components:

- Administration fee – up to 0.01% per sub-fund per annum subject to a minimum annual fee for each sub-fund which will not exceed \$25,000.
- Fund Accounting fee – up to \$35,000 per sub-fund per annum.
- Transfer Agent fee – up to \$4,000 per share class per annum subject to a minimum monthly fee not to exceed \$3,500 per umbrella. Account maintenance and servicing fees will be charged at normal commercial rates.
- The Administrator shall also be entitled to reimbursement of all reasonable out-of-pocket expenses incurred for the benefit of the Funds out of the assets of the Funds in respect of which such charges and expenses were incurred.

- The Administrator shall also be entitled to receive a fee which will not exceed \$11,000 for the preparation of financial statements.

Other expenses

The following expenses may also be payable by the Company out of its assets at the discretion of the ACD:

- brokers' commissions, fiscal charges and other disbursements which are properly incurred in effecting transactions for the Funds;
- interest on and other charges relating to permitted borrowings;
- taxation and other duties payable by the Company in respect of the property of a Fund;
- any costs incurred in amending the Instrument of Incorporation, Prospectus, key investor information documents or other relevant documents;
- costs incurred in respect of meetings of shareholders and/or directors or class meetings of shareholders of a Fund, convened for purposes which include the purpose of amending the Instrument of Incorporation, Prospectus, key investor information documents or other relevant documents;
- the fees and any proper expenses of the auditors;
- the fees and any proper expenses of any professional advisers retained by the Company, the Investment Manager or by the ACD in relation to the Company, including legal counsel;
- the costs of publication of share prices in the Financial Times, Trustnet and the Handelsblatt; or other publications as determined by the ACD;
- the fees of the FCA;
- the fees and charges of regulatory authorities in Germany and any other jurisdiction where the shares of a Fund are registered for distribution;
- any costs incurred in the preparation, translation (where necessary) and production of reports required by regulation (in relation to taxation or for any other reason) in the United Kingdom and in any overseas territory in which the Funds are or may be lawfully marketed, to include SolvV, VAG, GroMiKV and any other reporting which may be required;
- the costs of producing, printing, translating and distributing annual, half-yearly reports and any other reports or information provided to shareholders;
- any other charges/expenses that may be taken out of the Company's property in accordance with the FCA Rules;
- the fees of local paying agents; and
- additional fees charged in relation to clearing system arrangements in Germany and any other jurisdiction where the shares of a Fund are registered for distribution.

SALE AND REDEMPTION OF SHARES

Dealing Days and Valuation Points

The Scheme Property is normally valued on each Dealing Day for a Fund at the Fund's Valuation Point. Applications for subscription, conversion or redemption of shares must be received by the Cut-Off Time for a Fund. Details of the Dealing Day, Valuation Point and Cut-Off Time for each Fund are set out in the Supplement for the relevant Fund.

The valuation is carried out in Euros.

The calculation of prices of shares commences at or about the Valuation Point on each Dealing Day. The ACD may carry out additional valuations and dealings in accordance with the FCA Rules if it considers it desirable to do so or if so required by the Depositary. Valuations will not be made during a period of suspension of dealings (see pages 23 to 24). The ACD is required to notify share prices to the Depositary on completion of a valuation.

Shares will be "single priced" with the same price for buying or selling on any particular day, such price being determined from time to time by reference to the Valuation Point on a Dealing Day for the Fund.

From time to time the ACD may hold shares in the Company as principal. However, such shares are held by the ACD to facilitate the efficient management of the Company and the ACD does not actively seek to make profit from holding shares as principal.

An affected person (the ACD, Depositary, or any of their associates, or the auditors of the Company) is under no obligation to account to another affected person or to shareholders for any profit or other benefit they make on dealing in Shares of the Company, any transaction in Scheme Property, or the supply of services to the scheme.

Procedures for effecting sales and redemptions

Purchase of shares

Shares can be bought either by completing an application form, obtained from the Administrator or Marcard (in respect of German investors), and delivering it to:

- (1) the Administrator at George's Quay House, 43 Townsend Street, Dublin 2, Ireland, or by fax on +353 1613 0401; or
- (2) in respect of German investors, Marcard at Ballindamm 36, D-20095, Hamburg, Germany, or by fax on +49 40 32099370.

Applicants should complete the application form (available from the Administrator, the ACD or Marcard) and send it by post, delivery or fax (with the original signed form and supporting documentation in relation to anti-money laundering checks to follow immediately) to be received no later than 12.00 p.m. (Dublin time) on the Business Day one Business Day prior to the Dealing Day on which Shares are to be issued.

Applications not received or incorrectly completed applications received by the times stipulated above may, at the absolute discretion of the ACD, be held over and applied on the next following applicable Dealing Day or until such time as a properly completed subscription agreement is received on the date on which it is processed.

German shareholders' right of revocation according to InvMG is hereby not excluded.

Subject to its obligations under the FCA Rules, the Administrator reserves the right to reject any application in whole or in part. In that event application moneys or any balance will be returned to the applicant by post at his risk.

If payment in full has not been received by the relevant times stipulated above, the ACD may cancel the allotment and the shareholder shall indemnify and hold harmless the Company, the ACD, the Investment Manager, the Administrator and the Custodian for any loss, cost or expense suffered by them as a result of a failure by the shareholder to pay the subscription monies by the relevant time.

At present only Gross Paying Shares and Accumulation Shares are available. Accordingly, only investors who are able to receive distributions of income by the Company without deduction of tax in accordance with UK law may apply for Gross Paying Shares.

Various bodies benefit from an automatic entitlement to receive gross interest distributions pursuant to Part 4 of the Authorised Investment Funds (Tax) Regulations 2006 (SI 2006/964) and sections 933 to 937 of the Income Tax Act 2007. These include companies, ISA managers, certain bodies including local authorities, charities and various pension schemes and partnerships made up of the bodies set out in this list.

Interest distributions may also be made gross to individuals who are not resident in the UK, personal representatives of such individuals and certain trusts where the trustees are not resident in the UK. Such persons should give a not resident declaration in the prescribed form.

Interest distributions may also be made gross when made to a "reputable intermediary" where the shareholder on whose behalf the distribution is made is reasonably believed not to be resident in the UK. It should be noted that various conditions need to be fulfilled for a company to qualify as a "reputable intermediary" (as defined in Regulation 27 of the Authorised Investment Funds (Tax) Regulations 2006 (SI 2006/964)).

- *Purchasing shares*

Dealings are at forward prices i.e. at a price calculated by reference to the next valuation following receipt of the application. Shares to satisfy an application received before the Cut-Off Time of a Fund on a Dealing Day will be issued at a price based on that day's valuation and shares to satisfy an application received after that time at a price based on the valuation made on the next Dealing Day.

Applications will not be acknowledged but a contract note will be sent on or before the Business Day next following the relevant Dealing Day. Where the total price payable for all shares for which the application is made would include a fraction of one cent it will be rounded up or down to the nearest cent. Fractions of Shares will not be issued.

- *Minimum Holding/Purchase*

The minimum value of shares which any one person may hold is equal to the Minimum Initial Investment, or such lower amount determined at the discretion of the ACD. Subject to that limit the minimum value which may be the subject of any one purchasing transaction is the Minimum Subsequent Investment or such lower amount as determined at the discretion of the ACD. The value of shares for this purpose is calculated by reference to their current price, net of any initial charge. If the value of a holding is below the Minimum Holding, the ACD has the discretion to require redemption of the entire holding.

- *Certificates*

Subject as stated below, no certificates will be issued. Shareholders will receive a contract note in respect of their purchase, as described above. The Administrator will maintain the register of shareholders and will, upon application and subject to its reasonable requirements as to proof of identity and authority, supply a certified copy of a shareholder's entry in the register. The Company has the power to issue share certificates and may do so if necessary in connection with the operation of the clearing system referred to above.

- *Money laundering*

The Company is subject to the Proceeds of Crime Act 2002, and the Money Laundering Regulations 2003, as amended, and in the discharge of its obligations thereunder, the ACD may in its absolute discretion require verification of identity from any person applying for shares prior to processing such application.

- *In specie application*

The ACD, in consultation with the Investment Manager, may at its discretion agree to arrange for the issue of shares in exchange for assets other than cash but only if the Depositary is satisfied that acquisition of the assets in exchange for the number of shares to be created is not likely to result in any material prejudice to the interests of holders or potential holders of shares in the relevant Fund.

- *Redemption of shares*

Shares in each Fund may be redeemed on any Dealing Day. Dealings are at forward prices as explained under "purchasing shares" above. Shares to be redeemed pursuant to a redemption request received before the Cut-Off Time of a Fund on a Dealing Day will be redeemed at a price based on that day's valuation and shares to be redeemed pursuant to a redemption request received after that time at a price based on the valuation made on the next Dealing Day.

Subject to this process, Shares in each Fund may also be redeemed by way of "switching," whereby a Shareholder may request that Shares held in one Fund are substituted, or switched, for Shares in any other Fund of the Company.

In either case, redemption instructions may be given by delivering to:

- (i) the Administrator written instructions for redemption by letter or by fax on +353 1 613 0401; or

- (ii) In respect of German investors, Marcard written instructions for redemption by letter or by fax on +49 40 32099 370.

A redemption contract note will be sent on or before the Business Day next following the relevant Dealing Day. Where the total consideration for the transaction would include a fraction of one cent it will be rounded up or down to the nearest cent. There may also be deducted, if the consideration is to be remitted abroad (from the UK), the cost of remitting it. The redemption price will usually be paid not later than the close of business on the fourth Business Day after the later of the following times:

- (i) the Valuation Point immediately following the receipt by the Administrator of the request to redeem the shares; and
- (ii) the time when the Administrator or Marcard (In respect of German investors) has received all duly executed instruments and authorisations as effect (or enable the ACD to effect) transfer of title to the shares.

- *Minimum Redemption*

In respect of any class of share in the Company, and subject to the minimum holding requirement, if the redemption request is in respect of only some of the shares held, the minimum value of shares which may be the subject of one request for redemption is €25,000 or such lower amount as determined at the discretion of the ACD in consultation with the Investment Manager (calculated by reference to their current price).

- *Mandatory Redemption*

If the ACD reasonably believes that any shares have been acquired or are being held beneficially or otherwise by a Non-Qualified Person it may give notice to the holder of such shares requiring him or her to transfer them to a person who is qualified or entitled to own them, or to request the redemption of the shares by the Company. If any person upon whom such a notice is served does not either transfer the shares to a qualified person or establish to the ACD's satisfaction (whose judgment shall be final and binding) that he or she and any person on whose behalf he or she holds the shares are qualified and entitled to hold and own them, he or she will be deemed on the expiry of a thirty calendar day period to have requested their redemption.

- *In Specie Redemption*

The ACD will not normally satisfy the amount payable to a shareholder on redemption by means of a transfer of property in specie. However, if the ACD, in consultation with the Investment Manager, considers in any case that redemption in specie would be in the best interests of the Company and the shareholders in the Company, it may seek the agreement of the shareholder concerned to its redemption request being satisfied wholly or partly by a transfer in specie, or by the proceeds of sale of part of the Scheme Property. The ACD, in consultation with the Investment Manager, will also consider any request by a shareholder for redemption of its shares to be paid by a transfer to that holder of Scheme Property having the appropriate value.

The selection of Scheme Property to be transferred (or sold) is made by the ACD in consultation with the Investment Manager and the Depositary, with a view to achieving no more advantage or disadvantage to the shareholder requesting redemption of his shares than to continuing shareholders.

The Company may retain out of the property to be transferred (or the proceeds of sale) property or cash of value or amount equivalent to any stamp duty or stamp duty reserve tax to be paid in relation to the cancellation of the shares.

- *Suspension of Dealings*

The ACD, in consultation with the Investment Manager, may, with the prior agreement of the Depositary, or, must without delay if the Depositary so requires, temporarily suspend the issue, cancellation, sale and redemption of any class of shares in the Company, if the ACD or the Depositary is of the opinion that due to exceptional circumstances it is in the interest of all shareholders of the relevant Fund to do so. Shareholders will be notified of any suspension as soon as practicable after suspension commences.

The ACD and the Depositary must ensure that any suspension is only allowed to continue for as long as it is justified having regard to the interests of the shareholders and that the suspension is reviewed at least every 28 days.

Where the ACD agrees during the suspension to deal in shares, all deals accepted during, and outstanding prior to, the suspension will be undertaken at a price calculated at the first relevant Valuation Point after restart of dealings in Shares.

- *Changes to shareholders' details*

Any changes to the shareholder's personal details must be notified immediately to the Administrator, Marcard or the ACD (who in turn must notify the Administrator) in writing and such changes will only be effected upon receipt of the original documentation.

VALUATION OF SCHEME PROPERTY

The value of the Scheme Property is the value of its assets less the value of its liabilities calculated on the following basis:

- If transferable securities are quoted at a single price, their value shall be their quoted price or if separate buying and selling prices are quoted, their value shall be the average of such prices. If no price (or no recent price) exists, or the ACD considers that the price obtained is unreliable, the asset concerned will be attributed a value which in the ACD's opinion is fair and reasonable.
- Any other property will be valued at what the ACD considers a fair and reasonable mid market price.
- Cash and amounts held in current and deposit accounts and other time related deposits are valued at their nominal value.
- Contingent liability transactions will be valued using a method agreed between the ACD and the Depositary incorporating the following requirements: written options will be valued after deduction of the net valuation of premium receivable; off exchange futures will be valued at the net value of closing out; all other contingent liability transactions will be valued at the net value of margin on closing out.
- In valuing assets, any fiscal or commissions or other charges that were paid or would be payable on the acquisition or disposal of the asset are excluded.
- Deductions are made for anticipated tax liabilities and for an estimated amount of other liabilities payable out of the Scheme Property, and for outstanding borrowings together with accrued but unpaid interest.
- Amounts are added in respect of estimated, recoverable tax and any other amounts due to be paid into the Company, including interest accrued or deemed to accrue; and such part of the costs of authorising and incorporating the Company and its initial offer or issue of shares as remains unamortised.

For valuation purposes, instructions given to issue or cancel shares are assumed to have been carried out (and any cash paid or received); and uncompleted arrangements for the unconditional sale or purchase of property are (with certain exceptions) assumed to have been completed and all consequential action taken.

DILUTION LEVY

The FCA Rules require this Prospectus to contain a statement as to dilution and the power to require payment of a dilution levy. It is not, however, the ACD's current intention to charge a dilution levy in any circumstances.

A Fund may suffer dilution (reduction) in the value of its Scheme Property as a result of the costs incurred in dealing in its underlying investments and any spread between the bid and offer prices of such investments which is not reflected in the issue or redemption price paid by or to the shareholder. With a view to reducing this cost (which, if it is material, disadvantages continuing shareholders) the ACD is permitted by the FCA Rules to

require payment of a “dilution levy,” as an addition to the price of shares on their issue or deducted from the redemption price of shares as appropriate.

INITIAL CHARGE

The ACD is entitled to an initial charge, calculated as a percentage of the price of a share which is added to the price of that share. The current initial charges in respect of a Share Class are set out in the Supplement for the relevant Fund. Where an initial charge is imposed, a shareholder who realises his shares after a short period may not (even in the absence of a fall in the value of the relevant investments) realise the amount originally invested.

TAXATION

UK Taxation

The following is a general statement of current UK revenue law and practice; changes can occur without warning. It does not describe the taxation treatment of shareholders who are subject to special tax regimes or who are subject to tax in jurisdictions other than the United Kingdom and is written on the basis that more than 60% of each Fund’s investments will be made in interest-bearing securities and that it does not invest in non-reporting offshore funds. Shareholders are advised to consult their professional advisers as to their tax position.

At present only Gross Paying Shares are available, therefore, it is not expected that such withholdings or deductions from interest distributions will be necessary in the ordinary course by the Funds.

Each Fund will be liable to UK corporation tax on its net income (after deduction for interest and allowable expenses if any) at a rate equivalent to the basic rate of income tax (currently 20%). Certain dividends and other distributions received from UK and overseas companies may be exempt from corporation tax. Where foreign tax has been deducted from income from overseas sources, that tax can be offset against any corporation tax payable by the Fund by way of double tax relief, subject to certain limits.

As the Funds will be investing principally in non-equity securities (both in the UK and in other jurisdictions) any amount available for distribution in any period will be treated as available for distribution as yearly interest. As such, it will accordingly be treated as deductible for corporation tax purposes by the relevant Fund to the extent that distributions are made (or treated as made) by the relevant Fund and accordingly the relevant Fund’s liability to corporation tax will be reduced. In practice, little if any corporation tax will be paid.

The income received by the Fund will, in many cases, be subject to deduction of tax. If the tax withheld in any accounting period is UK income tax then this will be credited against any liability of the Fund to account for tax to HM Revenue & Customs. The Fund will be required to produce a tax voucher showing any income tax deducted (or deemed to be deducted in case of set off) from any interest distribution it makes.

The Fund will not generally suffer any liability to UK tax in respect of capital gains accruing to it on the disposal of its investments.

Shareholders

Individuals who are resident in the UK

In respect of individual investors resident in the UK the position will be as follows:

- ***Interest Distributions***

Interest distributions of a Fund (other than any equalisation payment) will be treated as payments of yearly interest to shareholders in respect of which they will be subject to income tax at the basic rate (currently 20%), higher rate (currently 40%) or, for individual taxpayers with taxable income in excess of £150,000, the additional rate of 45%. The Fund is obliged to withhold tax at the rate of 20% from any interest distribution it makes and to account for such sum to HM Revenue & Customs. This withholding is credited against the individual shareholder’s tax liability on the gross amount of the cash interest distribution received and the

withholding (the “**gross distribution**”). Accordingly, any UK resident individual shareholder who is not subject to income tax or is subject to the starting rate for savings (10%) may reclaim all or part of the withholding and any shareholder subject to income tax at the basic rate will have no further liability to income tax in respect of that interest distribution. UK resident taxpayers subject to income tax at the higher rate will have a further tax liability of 20% of the gross distribution to the extent that the gross distribution (when treated as the top slice of his or her income) falls above the threshold for higher rate tax. UK resident tax payers subject to income tax at the additional rate will have a further liability of 25% of the gross distribution to the extent that the gross distribution (when treated as the top slice of his or her income) falls above the threshold for additional rate tax.

At present, however, only Gross Paying Shares and Accumulation Shares are available. Accordingly, only investors who are able to receive distributions of income by the Funds without deduction of tax in accordance with UK law may apply for Shares.

- *Capital Gains*

Any chargeable gains arising to individual shareholders who are resident in the UK on disposal of their shares are, depending on their personal circumstances, subject to tax. Capital losses and other reliefs and exemptions may be available to reduce the amount of the chargeable gain. Individual investors are exempt from capital gains tax on their annual exempt amount. Thereafter, chargeable gains will be taxed at the rate of 18% for basic rate taxpayers and 28% for higher and additional rate taxpayers, trustees and personal representatives also pay 28%.

Any equalisation payment received by a shareholder will be treated as a return of capital and so will not be taxable in the hands of a shareholder. The amount must in the case of Gross Paying Shares be deducted from the cost of the shareholder’s shares in computing any capital gain realised on a disposal.

- *Non-residents*

Shareholders resident outside the UK receiving interest distributions will be treated as having received yearly interest from a UK-resident company. The Funds are obliged to withhold tax at the rate of 20% from any interest distribution they make and to account for this to HM Revenue & Customs unless an exemption is available. Non-UK resident shareholders who are individuals may make a declaration that they are not resident in the UK. The Company can pay an interest distribution gross to any such shareholder who makes a valid declaration, or to a company which is a “reputable intermediary” (as defined in Regulation 27 of the Authorised Investment Funds (Tax) Regulations 2006 (SI 2006/964) which the Fund believes to be acting for a Shareholder who is not resident in the UK (for further details see “Sale and Redemption of Shares”). Non-UK resident shareholders may, depending on their circumstances, make a claim for repayment in respect of any withholding made by a Fund on any interest distribution under the provisions of any relevant double tax treaty.

Corporate shareholders

- *Interest distributions and corporate debt tax regime*

The Funds can pay interest distributions without deduction of tax to companies (as well as to UK tax exempt pension funds and charities and various other bodies (for further details see “Sale and Redemption of Shares”). As the Funds will be investing principally in non-equity securities, the corporate and government debt tax regime in the UK will apply to any corporate shareholder who is within the charge to UK corporation tax and such shareholder will be taxed in respect of its holding of shares as if such a holding is a loan relationship. An authorised fair value accounting basis must be used in respect of the deemed creditor relationship.

UK tax-exempt investors

The tax treatment of such investors will depend on the applicable tax exemption.

General

A tax voucher will be issued to each shareholder to provide details of their taxable income and applicable tax credits for his or her tax returns.

Open-ended investment companies are required to report details of interest distributions paid to UK and many non-UK investors upon request from HM Revenue & Customs.

EU Savings Directive

Under the EU Council Directive 2003/48/EC on taxation of savings income in the form of interest payments (the “Directive”), Member States of the European Union (“Member States”) are required to provide to the tax authorities of other Member States details of payments of interest and other similar savings income (which in the case of a collective investment fund may include amounts arising as a result of the sale and redemption of the fund’s shares) paid by a person who is a “paying agent” for the purposes of the Directive to an individual (or to certain “residual entities”) resident for the purposes of the Directive in another Member State. However, Austria and Luxembourg instead impose a system of withholding tax for a transitional period unless during such period they elect otherwise. The rate of withholding tax in those jurisdictions is 35%. Because of the Company’s structure and depending upon the investment policy the Funds pursue, income realised by certain shareholders, together with the proceeds of redemption and disposals of their shares, may be subject to the obligations imposed by the Directive. Investors resident in prescribed territories outside the EU may also be included in the exchange of information or the withholding information on these territories can be obtained from HM Revenue & Customs or your professional advisors.

FATCA and other reporting arrangements

The Company will be a foreign financial institution for FATCA purposes and will therefore be registered pursuant to the requirements of FATCA (which is being implemented in the UK through an Intergovernmental Agreement (“IGA”) between the UK and the US and also UK regulations). The main objective of FATCA is to require foreign (that is, non-US) financial institutions to identify and report the financial accounts of “Specified U.S. Persons” (very broadly, a person is specified in relation to a jurisdiction if he, she or it is resident or a citizen of that country or is a partnership or corporation established in that country but listed companies and their group companies, as well as banks and governmental organisations, are excluded amongst others) and certain entities, as set out in FATCA and the IGA. In order to do so, the ACD (or its delegate) is required to collect information both from US investors and non-US investors entered on the Company’s register of shareholders. From 1 July 2014, the ACD (or its delegate) will report the financial accounts held by Specified U.S. Persons and passive non-financial foreign entities controlled by Specified U.S. persons (and, from 1 January 2015 also information about payments to certain non participating foreign financial institutions) to HM Revenue & Customs, which will then provide this information to the US Internal Revenue Service (or IRS). Shareholders failing to provide the requisite information to the ACD (or its delegate) will also be reported. Any prospective investor who is concerned about the provision of this information should consult his, her or its own tax advisers regarding the requirements under FATCA in the precise situation.

Further, prospective investors should be aware that a similar automatic exchange of information regime has been introduced between the UK and the Crown Dependencies and Overseas Territories with similar effects for any Specified UK Investor in the Company.

Common Reporting Standards (CRS)

To satisfy the requirement for the automatic exchange of financial information between tax authorities worldwide, CRS countries must obtain information from relevant clients and exchange that information with the tax authorities of other CRS countries. In the UK the CRS system was mandated by ‘The International Tax Compliance Regulations 2015’.

From 1 January 2016, the ACD will be required to compile information about all accounts in existence as of 31 December 2015, and all new accounts opened on or after 1 January 2016, and from 2017 report the information to HM Revenue and Customs.

WINDING UP AND TERMINATION

Termination of a Fund

A Fund may be terminated:

- (A) if an extraordinary resolution of the Shareholders is passed to that effect; or
- (B) on the date of effect stated in any agreement by the FCA to a request by the ACD for the termination.

Eligible registered shareholders will be informed in writing if the Fund is terminated or has its authorisation revoked by the FCA.

Termination of a Fund commences upon the later of the time for termination of the Fund determined in accordance with the above circumstances and the time at which the FCA, having been supplied with a statement confirming the solvency of the Fund, approves, pursuant to the OEIC Regulations, the necessary changes to the Instrument and this Prospectus which would result from the termination of the Fund.

On the termination of a Fund (other than in accordance with an approved scheme of amalgamation or reconstruction) the ACD is required as soon as practicable after the Fund falls to be terminated to realise the property of the Fund and pay the liabilities of the Fund out of the proceeds.

Provided that there are sufficient liquid funds in the Fund property available after making adequate provision for the expenses of the termination and the discharge of the liabilities remaining to be discharged, the ACD may arrange for the Depositary to make one or more interim distributions out of the property of the Fund to the Shareholders proportionately to the right to participate in the Fund property attached to their respective Shares as at the date of the commencement of the termination.

When the ACD has caused all the Fund property to be realised and all of the liabilities known to the ACD to be met, the ACD shall arrange for the Depositary to make a final distribution, on or prior to the date on which the termination account is sent to Shareholders, of the balance remaining (net of a provision for any further expenses of the termination) to the Shareholders in the proportions stated above.

If the Fund is to be terminated in accordance with an approved scheme of amalgamation or reconstruction, the ACD is required to terminate the Fund in accordance with the resolution of holders approving such a scheme.

Where the Company and one or more Shareholders (other than the ACD) agree, the requirement to realise the property of the Fund shall not apply to that part of the property which is proportionate to the right of that or those Shareholders, and the ACD may distribute that part in the form of property, after making such adjustments or retaining such provision as appears appropriate to the ACD for ensuring that that or those Shareholders bear a proportionate share of the liabilities and expenses.

Where any sum of money (including unclaimed distributions) still stands to the account of the property of the Fund, the ACD shall instruct the Depositary to retain such sum in an account separate from any other part of the property of the Company in accordance with the FCA Rules. On a winding-up of the Company, the Depositary shall cease to hold those amounts as part of that account and they shall be paid by the Depositary into court in accordance with the OEIC Regulations.

Winding-up of the Company

The Company is to be wound-up:

- (A) if an extraordinary resolution of holders is passed to wind-up the Company; or
- (B) when the period (if any) fixed for the duration of the Company by the Instrument of Incorporation expires or any event occurs, for which the Instrument of Incorporation provides that the Company is to be wound up; or

- (C) on the date of effect stated in any agreement by the FCA in response to a request by the ACD for the winding up of the Company, albeit that such agreement is subject to there being no material change in any relevant factor prior to the date of the revocation.

The Company may only be wound-up under the FCA Rules if the Company is solvent and there is no vacancy in the position of the ACD. If the Company is insolvent, or there is such a vacancy, the Company may only be wound-up under Part V of the Insolvency Act 1986 as an unregistered company.

On a winding-up (other than in accordance with an approved scheme of amalgamation or reconstruction) the ACD is required as soon as practicable after the time the Company falls to be wound-up, to realise the property of the Company and pay the liabilities of the Company out of the proceeds. Liabilities of the Company attributable to a particular Fund shall be met to the extent possible out of the property attributable or allocated to such a Fund.

After making adequate provision for the expenses of the winding-up and the discharge of the liabilities of the Company remaining to be discharged, the ACD may arrange for the Depositary to make one or more interim distributions, and then a final distribution of the proceeds of the realisation of the property attributable or allocated to each Fund to the holders in each Fund, proportionately to the right to participate in the scheme property attached to their respective Shares.

If the Company is to be wound-up in accordance with an approved scheme of amalgamation or reconstruction, the ACD is required to wind-up the Company in accordance with a resolution of holders approving such scheme.

Where the Company and one or more Shareholders (other than the ACD) agree, the requirement to realise the property of the Company shall not apply to that part of the property which is proportionate to the right of that or those Shareholders, and the ACD may distribute that part in the form of property, after making such adjustments or retaining such provision as appears to the ACD appropriate for ensuring that that or those Shareholders bear a proportionate share of the liabilities and expenses.

If any sum of money is unclaimed or stands to the account of the Company at the date of its dissolution, the ACD shall arrange for the Depositary to pay such sum into court within one month after that date in accordance with the OEIC Regulations.

RISKS

The following information and warnings should be read carefully:

General Risks

Past performance is no guide to the future. The value of Shares, and any income from them, can fluctuate and, therefore, may go down as well as up, particularly in the short term, meaning that an investment may not be returned in full.

The tax treatment of the Funds may change and such changes cannot be foreseen.

Where regular investments are made with the intention of achieving a specific capital sum in the future, this will normally be subject to maintaining a specified level of investment.

- *Liabilities of the Company*

Each Fund will be charged with liabilities, expenses, costs and charges of the Company attributable to that Fund and within the Fund, charges will be allocated between Share Classes in accordance with the terms of issue of Shares of those Share Classes. Any assets, liabilities, expenses, costs or charges not attributable to a particular Fund may be allocated by the ACD in a manner which it believes is fair to the Shareholders generally. This will normally be pro rata to the Net Asset Value of the relevant Funds.

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

- *Effect of Initial Charge*

Where an initial charge is imposed, an investor who realises his Shares after a short period may not (even in the absence of a fall in the value of the relevant investments) realise the amount originally invested.

The Shares therefore should be viewed as medium to long term investments.

- *Dilution Levy*

Investors should note that in certain circumstances a dilution levy may be applied on their purchase or redemption of Shares.

- *Suspension of Dealings in Shares*

Investors are reminded that in certain circumstances their right to redeem Shares (including a redemption by way of switching) may be suspended.

As is the case with all securities, market prices in the markets in which each of the Funds will invest can be affected by many diverse factors, including political and economic events, and also rumours and sentiment. In particular a Fund may invest in countries including those in Eastern Europe or elsewhere where political and economic systems are still developing and no forecast can accurately be made as to their future form. These factors may affect the prices of investments on certain or all markets irrespective of the relative performance or financial strength of individual companies or issuers.

Specific Risks

- A Fund may invest in bonds and other investments listed on eligible markets in less developed economies than those of the OECD countries. In making its investment decisions the Investment Manager will in all cases assess potential investments carefully and seek to invest the Fund's assets in bonds or other investments where they perceive the risk of loss and/or default to be acceptable commensurate with the anticipated yield and any potential capital gain, and consistent with the Fund's objectives. However the risk of default cannot be eliminated and accordingly the success of an investment cannot be guaranteed. Therefore the Investment Manager will consider, and implement where appropriate, a hedging strategy in order to balance or minimise issuer, market, sector or geographic risks. In particular it is anticipated that the ACD will assess opportunities for investment in bonds and other investments in Eastern Europe and other geographic areas where the risk of default may be greater than in other eligible markets. In order to hedge exposure in East European and other markets, the Investment Manager may enter into derivative transactions for the purpose of efficient portfolio management. Please see pages 10 and 11 for further explanation of those relevant transactions which are permitted.
- The eligible markets listed at Appendix 1 have been considered by the ACD and Depositary in order to assess their suitability for the purposes of the requirements of the FCA Rules. However, as noted above, political and economic events, which may in their nature be unpredictable, can adversely affect the liquidity and reliability of such markets, and a current assessment of suitability is in no sense a guarantee that investments listed or dealt in on those markets will realise the amount invested or any income or gain.
- There is no guarantee that there will be a sufficient number of appropriate investment opportunities available when the Investment Manager is seeking to make or to diversify investments in the interests of a Fund. Accordingly there is no guarantee that the objectives of a Fund will be achieved.

- The nature of high yield bonds is such that they are frequently subordinated to senior or other secured debt of the issuer and may be at greater risk of default than such senior or secured obligations. As noted above a Fund will invest in bonds where it is considered that it is less likely that defaults will be encountered, but there is no guarantee that defaults by issuers will not occur and a Fund may not recover the amount invested.
- In addition to high yield bonds a Fund may invest in other investments that carry a risk of default or loss, including equities or convertible securities listed on eligible markets or (subject to the FCA Rules) unquoted equities or convertible securities. While a Fund will invest in those where it is considered less likely that such problems will occur, losses or defaults may occur and a Fund may not recover the amount invested.
- The derivative financial instruments which may be acquired by a Fund may either be listed or traded over the counter (OTC). These instruments include, amongst others, options, futures and forward contracts on financial instruments and options on such contracts as well as swap contracts on any type of financial instruments. Each Fund may also enter into credit default swaps, total return swaps, credit linked notes, swaptions and repurchase agreements. Credit default swaps are bilateral financial contracts in which one counterparty (the protection buyer) pays a periodic fee in return for a contingent payment by the protection seller (the protection seller) following a credit event of a reference issuer. The protection buyer acquires the right to sell a particular bond issued by the reference issuer for its par value (or some other designated reference or strike price) when a credit event occurs. A credit event is commonly defined as bankruptcy, insolvency, receivership, material adverse restructuring of debt, or failure to meet payment obligations when due. The Company will utilise such standard credit default swaps and will act as a protection buyer as well as a protection seller. The OTC derivative financial instruments, including credit default swaps, entered into by the Company are typically governed by standardised ISDA Master Agreements produced by the International Swap and Derivatives Association (ISDA).
- Where the periodic charge of the ACD is charged wholly to capital, the distributable income of a Fund will increase, but its capital value will be eroded which will affect future performance of the Fund.
- On a redemption of shares, particularly in the short term, investors may receive less than the original amount invested. The ACD's initial charge (see page 24) is deducted from an investment at the outset and other charges and expenses are payable by a Fund on an on-going basis, therefore an equivalent rise in the value of the shares is required before the original investment can be recovered.
- Investments will be made in bonds or other investments denominated in different currencies than the Company's base currency (i.e., the Euro) and the movement of exchange rates may have a separate effect, unfavourable as well as favourable, on the gains and losses otherwise experienced on such investments.

Hedging Risk

The Funds may implement currency hedging strategies with regards to Hedged Share classes as more fully described under "The Characteristics of Shares in the Company." If investors do not invest in a Hedged Share class, investors are not expected to be affected by the associated currency hedging strategies for that class.

Hedging transactions are designed to reduce, as much as possible, the currency risk for investors, however there is no guarantee that attempts to hedge currency risk will be successful and no hedging strategy can eliminate currency risk entirely. Should a hedging strategy be incomplete or unsuccessful, the value of that Fund's assets and income can remain vulnerable to fluctuations in currency exchange rate movements.

Investors should be aware that there may be circumstances in which a hedging transaction may reduce currency gains that would otherwise arise in the valuation of the relevant Fund. The gains/losses on and the costs of such hedging transactions will accrue solely to the relevant Hedged Share Class.

Any financial instruments used to implement such hedging strategies shall be assets and/or liabilities of the relevant Fund as a whole but, in effect, will be attributable to the relevant Hedged Share Class only. Any gains/losses on and the costs of the relevant financial instruments will accrue solely to such Hedged Share Class.

As a result, investors may be exposed to fluctuations in the net asset value per Share reflecting the gains/losses on and the costs of the hedging transactions and the relevant financial instruments.

In the case of a net investment flow to or from a Hedged Share Class, the hedging strategies may not be accurately adjusted and reflected in the Net Asset Value of the said class until the following or a subsequent business day following the Dealing Day on which the instruction was accepted.

Furthermore, any currency exposure of a Hedged Share class may not be combined with or offset against that of any other Share class of the relevant Fund. The currency exposure of the assets attributable to a Hedged Share Class may not be allocated to other classes.

Fund performance could be very different from one Share Class to another within the same Fund. More specifically, where a Fund whose investment strategy is based on a currency (“Currency of Return”) different from the Funds’ base currency and who offers Hedged Share Classes and non-hedged Share Classes, investors who wish to invest in the non-hedged Share Classes must be aware that total returns for the non-hedged Share Class will be maximized in the Currency of Return and restated into the Fund’s base currency at the prevailing rate. As a result, actual returns expressed in the Fund’s base currency will vary over time in accordance with the fluctuations of the exchange rate between the Currency of Return and the Fund’s base currency.

GENERAL INFORMATION

Changes to this Prospectus

This Prospectus describes the constitution and operation of the Company and the Funds at the date of this Prospectus. In the event of any materially significant change in the matters stated herein or any materially significant new matter arising which ought to be stated herein this Prospectus will be revised. The Prospectus will in any event be reviewed once every year and may be revised to take account of any changes or any new matter that is not considered insignificant.

Reports

Annual long reports of the Company will be published within four months after 30 November in each year and half yearly long reports within two months after 31 May each year.

Copies of long reports, if requested, may be obtained from, or inspected at, the ACD's offices at Cedar House, 3 Cedar Park, Cobham Road, Wimborne, Dorset, BH21 7SB.

Shareholders will be sent short reports in respect of each Fund in which that Shareholder has an investment within 4 months after the end of the annual accounting period and within 2 months after the end of the interim accounting period.

Inspection of documents

The Instrument of Incorporation and any amending instrument, the material contracts referred to below and the latest annual and half yearly reports may be inspected during normal business hours at the registered office of the ACD from whom copies of such documents may be obtained.

Delegation

The ACD and, subject to exceptions specified in the FCA Rules, the Investment Manager and Depositary may retain (or arrange for the Company to retain) the services of other persons to assist them in the performance of their respective functions and, in relation to certain functions, the ACD, the Investment Manager or the Depositary (as applicable) will not be liable for the actions of the persons so appointed provided certain provisions of the FCA Rules apply.

Conflicts of Interest

Subject to compliance with the FCA Rules, the ACD may be party to or interested in any contract, arrangement or transaction to which the Company is a party or in which it is interested. The ACD is entitled in its own discretion to determine the terms of its appointment as such, and consequently to amend the terms of the Service Agreement referred to on page 16.

The Investment Manager, Depositary or the ACD or any associate of any of them will not be liable to account to the Company or any other person, including the holders of shares or any of them, for any profit or benefit made or derived from or in connection with:

- (i) their acting as agent for the Company in the sale or purchase of property; or
- (ii) their part in any transaction or the supply of services permitted by the FCA Rules; or
- (iii) their dealing in property equivalent to any owned by (or dealt in for the account of) the Company.

Liability and indemnity

The ACD, Investment Manager, auditors and Depositary of the Company are indemnified by the Company against any liability incurred in defending any proceedings (whether civil or criminal) for negligence, default, breach of duty or breach of trust in each case in relation to the Company in which judgment is given in the relevant person's favour or he is acquitted or in connection with any application under Regulation 63 of the OEIC Regulations in which relief is granted to him by the Court. The indemnity does not apply to any liability to the extent that it is recovered from another person.

Rebate of fees and commission

The ACD may at its sole discretion rebate its initial or periodic charges in respect of any application for, or holding of, shares. Similarly the Company may rebate or waive its charges in relation to any exchange of shares. A proportion of the initial charge or periodic charge or exchange charge may be rebated to the introducer (the investor's financial intermediary), or distributor in the form of a commission payment. The investor should check with the intermediary the amount of commission he or she has received.

Notice to shareholders

Where the FCA Rules require a notice or document to be served upon a Shareholder, it is duly served if it is delivered to the Shareholder's address as appearing in the Register or delivered to a Shareholder by e-mail, where such Shareholder has consented to such form of delivery. Any notice or document served by post is deemed to have been served on the second Business Day following the day in which it is posted, and any document left at a registered address or delivered other than by post is deemed to have been served on that day.

Material Contracts

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company and are, or may be, material:

- (a) the Service Agreement which commences 1 August 2014, between the Company and the ACD;
- (b) the Depositary Agreement dated 18 March 2011 between the Company, Brookfield Investment Management UK Limited (the previous ACD) and the Depositary, novated in favour of the Depositary with effect from 01 October 2011 and subsequently novated in favour of the ACD with effect from 1 August 2014; and
- (c) the Investment Management Agreement which commences 1 August 2014 between the ACD and the Investment Manager.

Details of the above contracts are given on page 16 (The Authorised Corporate Director), page 17 (The Depositary) and page 18 (The Investment Manager).

Complaints

Any complaint should be referred to the ACD at its registered office.

Risk of transmission

All documents and remittances are sent at the risk of the shareholder concerned.

Right to cancel

A notice of an applicant's right to cancel the agreement to purchase shares will be forwarded, where this is required by rules made under the Financial Services and Markets Act 2000.

Copies of documents

Copies of the Instrument of Incorporation and any amendments thereto and copies of the Prospectus and key investor information documents may be inspected at, and copies obtained from, the ACD at Cedar House, 3

Cedar Park, Cobham Road, Wimborne, Dorset, The United Kingdom, BH21 7SB, during ordinary office hours. German shareholders may inspect and obtain copies free of charge at the office of Marccard at Ballindamm 36, D-20095, Hamburg, Germany.

APPENDIX 1 - ELIGIBLE SECURITIES AND DERIVATIVES MARKETS

Set out below are the securities and derivatives markets through which the Company may invest or deal (subject to the relevant Fund's investment objective and policy) in addition to over-the-counter markets in the United States and member countries of the EEA, when dealing in approved securities. The Company will only invest in securities in relation to which the issuer is incorporated or is a government or public body of, a member country of the OECD as such list may be amended from time to time.

Securities Markets	Derivatives Markets
AUSTRALIA Australian Securities Exchange Limited	Australian Options Market (AOM) Australian Securities Exchange Limited
AUSTRIA Vienna Stock Exchange (Wiener Börse AG) (VSE)	Austrian Futures & Options Exchange (ÖTOB)
BELGIUM NYSE Euronext	NYSE Euronext
CANADA The Toronto Stock Exchange (TSX)	The Montreal Stock Exchange (ME, Inc)
CYPRUS Cyprus Stock Exchange (CSE)	
CZECH REPUBLIC Prague Stock Exchange (PSE)	Prague Stock Exchange (PSE)
DENMARK Copenhagen Stock Exchange (CSE) (Københavns Fondbørs) (OMX)	Copenhagen Stock Exchange (CSE)
ESTONIA Tallinn Stock Exchange (TSE) (OMX)	
FINLAND Helsinki Exchanges (HEX) (OMX)	Eurex Helsinki Exchanges (HEX)
FRANCE NYSE Euronext	NYSE Euronext Eurex
GERMANY German Stock Exchange (Deutsche Börse AG) (DB)	Eurex
GREAT BRITAIN AND NORTHERN IRELAND London Stock Exchange (LSE) Alternative Investment Market (AIM) London OTC	NYSE Euronext EDX London (LSE)
GREECE Athens Stock Exchange (ATHEX)	The Athens Derivatives Exchange (ADEX)
HUNGARY Budapest Stock Exchange (BSE)	Budapest Stock Exchange (BSE)

IRELAND Irish Stock Exchange (ISE)	FINEX Europe
ICELAND Icelandic Stock Exchange (ISE) (OMX)	
ITALY Italian Stock Exchange (Borsa Italia) (ISE) Mercato Telematico dei Titoli di Stato (MTS)	Italian Stock Exchange Italian Derivatives Market (IDEM) (ISE)
JAPAN Tokyo Stock Exchange (including Hiroshima Stock Exchange and Niigata Stock Exchange) (TSE) Osaka Stock Exchange (OSE)	Tokyo Stock Exchange (TSE) Osaka Stock Exchange (OSE)
LATVIA Riga Stock Exchange (RSE) (OMX)	
LITHUANIA Vilnius Stock Exchange (VSE) (OMX)	
LUXEMBOURG Luxembourg Stock Exchange (Bourse de Luxembourg) (LSE)	
MALTA Malta Stock Exchange (MSE)	
NETHERLANDS NYSE Euronext	NYSE Euronext
NEW ZEALAND New Zealand Stock Exchange Ltd (NZX) (NZX includes New Zealand Stock Exchange (NZSX), New Zealand Debt Exchange (NZDX) and New Zealand Alternative Market (NZAX))	Sydney Futures Exchange (SFE)
NORWAY Oslo Stock Exchange (Oslo Bors) (OSE)	Oslo Stock Exchange
POLAND Warsaw Stock Exchange (WSE)	
PORTUGAL NYSE Euronext	NYSE Euronext
SLOVAKIA Bratislava Stock Exchange (BSSE)	
SLOVENIA Ljubljana Stock Exchange (LJSE)	
SOUTH KOREA Korea Stock Exchange (KRX)	Korea Stock Exchange (KRX)

SPAIN Madrid Stock Exchange (Bolsa de Madrid)	Madrid Stock Exchange (Bolsa de Madrid) (MSE) MEFF Renta Fija MEFF Renta Variable
SWEDEN Stockholm Exchange (Stockholmsbörsen) (OMX) Nordic Growth Market (NGM)	Stockholm Exchange (OMX)
SWITZERLAND Switzerland Stock Exchange (SWX) International Securities Markets Association/International Capital Markets Association (ICMA) virt-x	Eurex
TURKEY Istanbul Stock Exchange (Istanbul Menkul Kiymetler Borsasinin) (ISE)	
UNITED STATES NYSE Euronext American Stock Exchange (AMEX) NASDAQ Chicago Stock Exchange (CHX) Pacific Stock Exchange (PSE) Philadelphia Stock Exchange (PHLX) The market in transferable securities issued by or on behalf of the Government of the United States of America conducted through those persons for the time being recognized and supervised by the Federal Reserve Bank of New York and known as primary dealers.	Chicago Board Options Exchange (CBOE) Chicago Mercantile Exchange (CME) Eurex US New York Mercantile Exchange (NYMEX) New York Stock Exchange (NYSE) Pacific Stock Exchange (PSE) Philadelphia Stock Exchange (PHLX)

APPENDIX 2 - PAST PERFORMANCE

Below we have shown the historical performance, for the period to 31st December 2015. Where possible, we have shown the performance over the last 5 years, for each complete year, to the last quarter end. However, where the Fund has been in existence for less than any of the above periods, we show the performance since the launch of the Fund, plus for each complete year, to last quarter end.

In respect of Income shares (where they are available), the performance shown will assume that any income has been reinvested. The performance is measured on a Net Asset Value (NAV) to NAV, without the application of a Dilution Levy (see main text regarding the application of the Dilution Levy).

The price of shares and the income from them can go down as well as up (this may partly be the result of exchange rate fluctuations in investments which have an exposure to foreign currencies), and investors may not get back the full amount invested.

Past performance is not necessarily a guide to the future and cannot provide a guarantee of the future returns of the Fund. Investment returns may be affected by changes in the basis of taxation.

The performance figures shown below include gross reinvested distributions. The Fund performance figures are calculated on a single pricing basis.

FP Shenkman High Yield Europe Plus Fund

The Fund was launched on 24 May 1999.

- Trading in the FP Shenkman High Yield Europe Plus A (Inc) (Euro) shares (“A Inc”) commenced on 23 June 1999.
- The FP Shenkman High Yield Europe Plus B (Inc) (Euro) shares (“B Inc”) re-launched on 14 January 2011.
- The FP Shenkman High Yield Europe Plus A (Acc) (Euro) (“A Acc”) re-launched on 07 February 2011.
- The FP Shenkman High Yield Europe Plus Fund A (Inc) (Pounds Sterling Hedged) launched on 10th October 2012.

From 18 March 2011 through 31 July 2014, the Fund was named the Brookfield High Yield Europe Plus Fund.

FP Shenkman Hansa High Yield Fund

The Fund was launched on 30 November 2010.

- Trading in the Hansa High Yield Fund (Inc) (Euro) shares (“Hansa”) commenced on 30 November 2010.

From 18 March 2011 through 31 July 2014, the Fund was named the Brookfield Hansa High Yield Fund.

FP Shenkman High Yield Europe Plus Fund - Class A Accumulation shares (EUR)

Percentage Growth year to 31 December 2011	Percentage Growth year to 31 December 2012	Percentage Growth year to 31 December 2013	Percentage Growth year to 31 December 2014	Percentage Growth year to 31 December 2015	Percentage Growth from Launch to 31 December 2015
N/A	13.59%	10.16%	-4.49%	-4.10%	14.71%

Launch Date: 7 February 2011

ISIN: GB00B4RVTC84

FP Shenkman High Yield Europe Plus Fund - Class A Income shares (EUR)

Percentage Growth year to 31 December 2011	Percentage Growth year to 31 December 2012	Percentage Growth year to 31 December 2013	Percentage Growth year to 31 December 2014	Percentage Growth year to 31 December 2015	Percentage Growth from Launch to 31 December 2015
-2.83%	12.39%	8.69%	-5.62%	-5.23%	105.43%

Launch Date: 23 June 1999

ISIN: GB0007368888

FP Shenkman High Yield Europe Plus Fund - Class B Income shares (EUR)

Percentage Growth year to 31 December 2011	Percentage Growth year to 31 December 2012	Percentage Growth year to 31 December 2013	Percentage Growth year to 31 December 2014	Percentage Growth year to 31 December 2015	Percentage Growth from Launch to 31 December 2015
N/A	11.24%	7.88%	-6.32%	-5.96%	5.33%

Launch Date: 14 January 2011

ISIN: GB0007369076

FP Shenkman High Yield Europe Plus Fund - Class A Income shares (GBP - Currency Hedged)*

Percentage Growth year to 31 December 2011	Percentage Growth year to 31 December 2012	Percentage Growth year to 31 December 2013	Percentage Growth year to 31 December 2014	Percentage Growth year to 31 December 2015	Percentage Growth from Launch to 31 December 2015
N/A	N/A	7.53%	12.22%	N/A*	25.19%

Launch Date: 10 October 2012

ISIN: GB00B86JZ898

* For the period from 28 August 2014 to date of this Prospectus, this share class has not priced because as it has not contained any investment.

FP Shenkman Hansa High Yield Fund - Class A Income shares (EUR)

Percentage Growth year to 31 December 2011	Percentage Growth year to 31 December 2012	Percentage Growth year to 31 December 2013	Percentage Growth year to 31 December 2014	Percentage Growth year to 31 December 2015	Percentage Growth from Launch to 31 December 2015
-7.64%	6.31%	2.48%	-9.80%	-9.14%	-11.28%

Launch Date: 30 November 2010

ISIN: GB00B45PPM41

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APPENDIX 3: INVESTMENT AND BORROWING POWERS

1. General rules of investment

1.1 The Scheme Property of each Fund will be invested with the aim of achieving the investment objective of that Fund but subject to the limits set out in Chapter 5 of the FCA Rules.

1.2 Normally a Fund will be fully invested save for an amount for the settlement of liabilities including redemption of shares and efficient management of the Fund in relation to its investment objective. This amount will vary depending on the prevailing circumstances and, although it would not normally exceed 10%, there may be times when the Investment Manager considers the relevant markets to be overpriced or unstable presenting unusual risks or uncertainties. In such cases, a higher level of liquidity may be maintained if the Investment Manager, with the agreement of the ACD and Depositary, considers it to be in the interests of the shareholders.

2. Prudent spread of risk

The ACD must ensure that, taking account of the investment objectives and policy of each Fund, the Scheme Property of each Fund aims to provide a prudent spread of risk.

3. Transferable Securities

3.1 A transferable security is an investment falling within article 76 (Shares etc), article 77 (Instruments creating or acknowledging indebtedness), article 78 (Government and public securities), article 79 (Instruments giving entitlement to investments) and article 80 (Certificates representing certain securities) of the Regulated Activities Order.

3.2 An investment is not a transferable security if the title to it cannot be transferred, or can be transferred only with the consent of a third party.

3.3 In applying paragraph 3.2 to an investment which is issued by a body corporate, and which is an investment falling within articles 76 (Shares, etc.) or 77 (Instruments creating or acknowledging indebtedness) of the Regulated Activities Order, the need for any consent on the part of the body corporate or any members or debenture holders of it may be ignored.

3.4 An investment is not a transferable security unless the liability of the holder of it to contribute to the debts of the issuer is limited to any amount for the time being unpaid by the holder of it in respect of the investment.

4. UCITS schemes – general

4.1 The Scheme Property of each Fund must, except where otherwise provided in Chapter 5 of the FCA Rules, only consist solely of any or all of:

4.1.1 transferable securities;

4.1.2 approved money-market instruments;

4.1.3 units in collective investment schemes;

4.1.4 derivatives and forward transactions;

4.1.5 deposits; and

4.1.6 movable and immovable property that is necessary for the direct pursuit of the business of the UCITS;

4.2 A Fund is restricted to mainly holding transferable securities. Transferable securities held within the Fund must (subject to paragraphs 4.3) be:

4.2.1 admitted to or dealt in on an eligible market as described below in paragraph 6.3.1 or 6.4; or

4.2.2 dealt in on an eligible market as described below in paragraph 6.3.2.

4.2.3 recently issued transferable securities, provided that:

- (a) the terms of issue include an undertaking that application will be made to be admitted to an eligible market; and
- (b) such admission is secured within a year of issue.

4.3 Not more than 10% in value of the Scheme Property of each Fund is to consist of transferable securities, which are not approved securities as set out in paragraph 4.2 above.

4.4 A Fund may invest in a transferable security only to the extent that the transferable security fulfils the following criteria:

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

4.4.2 its liquidity does not compromise the ability of the ACD to comply with its obligation to redeem shares at the request of any qualifying shareholder;

4.4.3 reliable valuation is available for it as follows:

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

4.4.4 appropriate information is available for it as follows:

- (a) 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;
- (b) 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;

4.4.5 it is negotiable and

4.4.6 its risks are adequately captured by the risk management process of the ACD.

4.5 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:

4.5.1 not to compromise the ability of the ACD to comply with its obligation to redeem shares at the request of any qualifying shareholder; and

4.5.2 to be negotiable.

4.6 It is not intended that any Fund will have an interest in any immovable property or tangible movable property.

5. Closed end funds constituting transferable securities

5.1 A unit in a closed end fund shall be taken to be a transferable security for the purposes of investment by a UCITS scheme such as the Funds, provided it fulfils the criteria for transferable securities set out in paragraph 4.4, and either:

5.1.1 where the closed end fund is constituted as an investment company or a unit trust:

- (a) it is subject to corporate governance mechanism applied to companies; and
- (b) where another person carries out asset management activity on its behalf, that person is subject to national regulation for the purpose of investor protection or

5.1.2 where the closed end fund is constituted under the law of contract:

- (a) it is subject to corporate governance mechanisms equivalent to those applied to companies; and
- (b) it is managed by a person who is subject to national regulation for the purpose of investor protection.

6. Eligible markets regime: purpose

6.1 To protect Shareholders, the markets on which investments of a Fund are dealt in or traded on should be of an adequate quality ("eligible") at the time of acquisition of the investment and until it is sold.

6.2 Where a market ceases to be eligible, investments on that market cease to be approved securities. The 10% restriction on investing in non-approved securities applies and exceeding this limit because a market ceases to be eligible will generally be regarded as an inadvertent breach.

6.3 A market is eligible for the purposes of the rules if it is:

6.3.1 a regulated market; or

6.3.2 a market in an EEA State which is regulated, operates regularly and is open to the public.

6.4 A market not falling within paragraph 6.3 is eligible for the purposes of Chapter 5 of the FCA Rules if:

6.4.1 the ACD, after consultation with and notification to the Depositary, decides that market is appropriate for investment of, or dealing in, the Scheme Property;

6.4.2 the market is included in a list in the Prospectus; and

6.4.3 the Depositary has taken reasonable care to determine that:

- (a) adequate custody arrangements can be provided for the investment dealt in on that market; and
- (b) all reasonable steps have been taken by the ACD in deciding whether that market is eligible.

6.5 In paragraph 6.4, a market must not be considered appropriate unless it is regulated, operates regularly, is recognised, is open to the public, is adequately liquid and has adequate arrangements for unimpeded transmission of income and capital to or for the order of Shareholders.

6.6 The eligible markets for each Fund of the Company are set out in Appendix 1.

7. Transferable securities linked to other assets

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

7.1.1 fulfils the criteria for transferable securities set out in COLL 5.2.7A R; and

7.1.2 is backed by or linked to the performance of other assets, which may differ from those in which a UCITS scheme can invest.

7.2 Where an investment in 7.1 contains an embedded derivative component (see COLL 5.2.19R(3A)), the requirements of this section with respect to derivatives and forwards will apply to that component.

8. Spread: general

8.1 This rule on spread does not apply to government and public securities.

8.2 For the purposes of this requirement companies included in the same group for the purposes of consolidated accounts as defined in accordance with Directive 83/349/EEC or in the same group in accordance with international accounting standards are regarded as a single body.

8.3 Not more than 5% in value of the Scheme Property is to consist of transferable securities issued by any single body.

8.4 The limit of 5% in paragraph 8.3 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%.

8.5 The limit of 5% in 8.3 is raised to 25% in value of the Scheme Property in respect of covered bonds, provided that when the Company 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.

8.6 In applying paragraphs 8.3 and 8.4 certificates representing certain securities are treated as equivalent to the underlying security.

8.7 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.

8.8 Not more than 20% in value of the Scheme Property is to consist of transferable securities or approved money market instruments issued by the same group (as referred to in paragraph 8.2).

8.9 In applying the limits in paragraphs 8.3, 8.4, 8.6 and 8.7, and subject to paragraph 8.5, not more than 20% in value of the Scheme Property is to consist of any combination of two or more of the following:

8.9.1 transferable securities (including covered bonds) issued by;

8.9.2 deposits made with;

8.9.3 exposures from OTC derivatives transactions made with;

a single body.

9. Spread: Government and public securities

9.1 Subject to paragraph 9.5, the above restrictions do not apply to Government and public securities. The restriction in relation to such securities is set out below ("such securities").

9.2 No more than 35% in value of the Scheme Property may be invested in such securities issued by any one body. Subject to this, there is no limit on the amount which may be invested in such securities or in such securities issued by any one body or of any one issue.

9.3 In relation to such securities:

9.3.1 Issue, issuer and issuer include guarantee, guaranteed and guarantor; and

9.3.2 an issue differs from another if there is a difference as to repayment date, rate of interest, guarantor or other material terms of the issue.

9.4 Notwithstanding paragraph 8.1 and subject to paragraph 9.2, in applying the 20% limit in paragraph 8.9 with respect to a single body, government and public securities issued by that body shall be taken into account.

10. Investment in collective investment schemes

10.1 A Fund may invest up to 5% in value of the Scheme Property in units of collective investment schemes (each a “second scheme”) provided that the second scheme is permitted under paragraphs 10.2 to 10.5:

10.2 The second scheme:

10.2.1 complies with the conditions necessary for it to enjoy the rights conferred by the UCITS Directive; or

10.2.2 is recognised under the provisions of section 270 of the Financial Services and Markets Act 2000 (Schemes authorised in designated countries or territories); or

10.2.3 is recognised as a non-UCITS retail scheme (provided the requirements of article 19(1)(e) of the UCITS Directive are met);

10.2.4 is authorised in another EEA state (provided the requirements of article 19(1)(e) of the UCITS Directive are met); or

10.2.5 is authorised by the competent authority of an OECD member country (other than another EEA state) which has:

- (a) signed the IOSCO Multilateral Memorandum of Understanding; and
- (b) approved the scheme’s management company, rules and depositary/custody arrangements, (provided the requirements of article 50(1)(e) of the UCITS Directive are met).

10.3 The second scheme complies where relevant with rule 5.2.15R of the FCA Rules (Investment in other group schemes) i.e. that the second scheme may only invest in other group schemes (other collective investment schemes which are managed and operated by the ACD or an Associate of the ACD) provided there is no double charging of the preliminary charge on the basis set out in 10.9 to 10.11;

10.4 The second scheme complies where relevant with rule 5.2.16R of the FCA Rules (Investment in other group schemes);

10.5 The second scheme has terms which prohibit more than 10% in value of the second scheme’s property consisting of units in other collective investment schemes;

10.6 For the purposes of paragraphs 8 and 10 each sub-fund of an umbrella scheme is to be treated as if it were a separate scheme but no sub-fund of an umbrella scheme may invest in another sub-fund of that umbrella scheme;

10.7 Also as mentioned below, the Company must not acquire more than 25% of the units of a single collective investment scheme;

10.8 In accordance with rule 5.2.15R of the FCA Rules the Company may include units in collective investment schemes managed or operated by (or, if it is an OEIC, has as its ACD) the ACD of the Company or an associate of the ACD.

10.9 A Fund must not invest in or dispose of units in another collective investment scheme (the second scheme), which is managed or operated by (or, in the case of an OEIC, whose ACD is), the authorised fund manager of such authorised fund, or an associate of that ACD, unless:

10.9.1 the ACD of the Company is under a duty to pay to the Fund by the close of business on the fourth Business Day next after the agreement to buy or to sell the amount referred to in paragraphs 10.9.3 and 10.9.4;

10.9.2 there is no charge in respect of the investment in or the disposal of units in the second scheme;

10.9.3 on investment, either:

(a) any amount by which the consideration paid by the Fund for the units in the second scheme exceeds the price that would have been paid for the benefit of the second scheme had the units been newly issued or sold by it; or

(b) if such price cannot be ascertained by the ACD, the maximum amount of any charge permitted to be made by the seller of units in the second scheme;

10.9.4 on disposal, the amount of any charge made for the account of the authorised fund manager or operator of the second scheme or an associate of any of them in respect of the disposal; and

10.10 in paragraphs 10.9.1 to 10.9.4 above:

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

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

11. 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 a Fund, at the time when payment is required, without contravening the rules in Chapter 5 of the FCA Rules.

12. Derivatives

Under the FCA Rules derivatives are permitted for UCITS Schemes for investment purposes and derivative transactions may be used for the purposes of hedging or meeting the investment objectives or both. The Funds do not currently intend to use its property to invest in derivatives and forward transactions under the FCA Rules, other than for the purposes of efficient portfolio management (see page 10).

13. Cover

13.1 Where the FCA Rules permit an investment transaction to be entered into or an investment to be retained only (for example, investment in warrants and nil and partly paid securities and the general power to accept or underwrite) if possible obligations arising out of the investment transactions or out of the retention would not cause any breach of any limits in Chapter 5 of the FCA Rules, it must be assumed that the maximum possible liability of the Company under any other of those rules has also to be provided for.

13.2 Where the FCA Rules permit an investment transaction to be entered into or an investment to be retained only if that investment transaction, or the retention, or other similar transactions, are covered:

13.2.1 it must be assumed that in applying any of those rules, the Company must also simultaneously satisfy any other obligation relating to cover; and

13.2.2 no element of cover must be used more than once.

14. Significant influence

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

14.1.1 immediately before the acquisition, the aggregate of any such securities held by the Company gives the Company power significantly to influence the conduct of business of that body corporate; or

14.1.2 the acquisition gives the Company that power.

14.2 For the purpose of paragraph 14.1, 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).

15. Concentration

The Company:

15.1 must not acquire transferable securities (other than debt securities) which:

15.1.1 do not carry a right to vote on any matter at a general meeting of the body corporate that issued them; and

15.1.2 represent more than 10% of those securities issued by that body corporate;

15.2 must not acquire more than 10% of the debt securities issued by any single body;

15.3 must not acquire more than 10% of the units in a collective investment scheme;

15.4 need not comply with the limits in paragraphs 15.2 to 15.3 if, at the time of acquisition, the net amount in issue of the relevant investment cannot be calculated.

16. Cash and near cash

16.1 Cash and near cash must not be retained in the Scheme Property except to the extent that this may reasonably be regarded as necessary in order to enable:

16.1.1 the pursuit of that Fund's investment objectives; or

16.1.2 redemption of Shares in that Fund; or

16.1.3 efficient management of the Fund in accordance with its investment objectives; or

16.1.4 other purposes which may reasonably be regarded as ancillary to the investment objectives of that Fund.

16.2 During the period of the initial offer the Scheme Property may consist of cash and near cash without limitation.

17. General power to borrow

17.1 The Company may, in accordance with this paragraph, borrow money for the use of the Company on terms that the borrowing is to be repayable out of the Scheme Property. This power to borrow is subject to the obligation of the Company to comply with any restriction in the instrument constituting the Company.

17.2 The Company may borrow under paragraph 17.1 only from an Eligible Institution or an Approved Bank.

17.3 The ACD must ensure that any borrowing is on a temporary basis and that borrowings are not persistent, and for this purpose the ACD must have regard in particular to:

17.3.1 the duration of any period of borrowing; and

17.3.2 the number of occasions on which resort is had to borrowing in any period.

17.4 In addition to complying with paragraph 17.3, the ACD must ensure that no period of borrowing exceeds three months, whether in respect of any specific sum or at all, without the prior consent of the Depositary; the Depositary's consent may be given only on such conditions as appear to the Depositary appropriate to ensure that the borrowing does not cease to be on a temporary basis only.

17.5 The Company must not issue any debenture unless it acknowledges or creates a borrowing that complies with paragraphs 17.1 to 17.4 and 18.

17.6 These borrowing restrictions do not apply to "back to back" borrowing for currency hedging purposes.

18. Borrowing limits

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

18.2 In this paragraph 18, "borrowing" includes, as well as borrowing in a conventional manner, any other arrangement (including a combination of derivatives) designed to achieve a temporary injection of money into the Scheme Property in the expectation that the sum will be repaid.

18.3 For the Company, borrowing does not include any arrangement for the Company to pay to a third party (including the ACD) any set up costs which the Company is entitled to amortise and which were paid on behalf of the Company by the third party.

18.4 This paragraph does not apply to "back to back" borrowing for currency hedging purposes.

19. Restrictions on lending of money

19.1 None of the money in the Scheme Property of a Fund may be lent and, for the purposes of this prohibition, money is lent by the Fund if it is paid to a person ("the payee") on the basis that it should be repaid, whether or not by the payee.

19.2 Acquiring a debenture is not lending for the purposes of paragraph 19.1; nor is the placing of money on deposit or in a current account.

19.3 Paragraph 19.1 does not prevent a Fund from providing an officer of the Fund with funds to meet expenditure to be incurred by him for the purposes of the Fund (or for the purposes of enabling him properly to perform his duties as an officer of the Fund) or from doing anything to enable an officer to avoid incurring such expenditure.

20. Restrictions on lending of property other than money

20.1 The Scheme Property of a Fund other than money must not be lent by way of deposit or otherwise.

20.2 Transactions permitted by paragraph (v) of Efficient Portfolio Management (see page 9) are not lending for the purposes of paragraph 20.1.

20.3 The Scheme Property of a Fund must not be mortgaged.

20.4 Nothing in these restrictions prevents a Fund or Depositary at the request of the Company from lending depositing pledging or charging Scheme Property for margin requirements where transactions in derivatives or forward transactions are used for the account of the Fund in accordance with any other rules in Chapter 5 of the FCA Rules.

21. General power to accept or underwrite placings

21.1 Any power in Chapter 5 of the FCA Rules to invest in transferable securities may be used for the purpose of entering into transactions to which this section applies, subject to compliance with any restriction in the Instrument of Incorporation.

21.2 This section applies, subject to paragraph 21.3, to any agreement or understanding:

21.2.1 which is an underwriting or sub-underwriting agreement; or

21.2.2 which contemplates that securities will or may be issued or subscribed for or acquired for the account of a Fund.

21.3 Paragraph 21.2 does not apply to:

21.3.1 an option; or

21.3.2 a purchase of a transferable security which confers a right:

(a) to subscribe for or acquire a transferable security; or

(b) to convert one transferable security into another.

21.4 The exposure of a Fund to agreements and understandings within paragraph 21.2 must, on any Business Day:

21.4.1 be covered in accordance with the requirements of rule 5.3.3AR of the FCA Rules; and

21.4.2 be such that, if all possible obligations arising under them had immediately to be met in full, there would be no breach of any limit in Chapter 5 of the FCA Rules.

22. Guarantees and indemnities

22.1 A Fund or the Depositary for the account of the Fund must not provide any guarantee or indemnity in respect of the obligation of any person.

22.2 None of the Scheme Property of a Fund may be used to discharge any obligation arising under a guarantee or indemnity with respect to the obligation of any person.

SUPPLEMENT 1

Name of Fund	FP Shenkman High Yield Europe Plus Fund
Investment Objective	The Fund's investment objective is to achieve primarily a high level of income and in addition capital appreciation through investment in a broad range of securities, including those listed on the eligible markets as listed in Appendix 1 and such securities that are not "approved securities" to the extent permitted by the FCA Rules.
Investment Policy	<p>To invest, in accordance with the FCA Rules, primarily in European high yield securities, but also to invest in countries outside Europe where the Investment Manager deems there to be appropriate opportunities, in each case where the issuer of such securities is incorporated in, or is a government or public body of, a member country of the OECD, as such list may be amended from time to time.</p> <p>The investments will predominantly be a wide range of fixed income securities which will also include for example lower quality corporate and sovereign debt securities and convertible bonds.</p> <p>The Fund may invest in other securities consistent with its investment objectives as determined by the Investment Manager and in accordance with the FCA Rules.</p>
Use of derivatives	The Fund will invest in derivatives to manage its portfolio efficiently, generate additional income and hedge risks related to its underlying investments in accordance with the FCA Rules. These risks include but are not limited to market risk, interest rate risk, currency risk and credit risk.
Investor Profile	Intended primarily but not exclusively to be targeted at institutional and other experienced investors seeking a high level of income over a longer period and who have read and understood the section titled Risks in the Prospectus.
Valuation Point	16:00 Eastern Standard Time
Frequency of Dealing	The Dealing Day is each Business Day.
Cut-Off Time	The cut-off time is 12.00 midday UK time on a Dealing Day. Orders for a subscription, redemption or conversion received after the cut-off time will be valued as at the Valuation Point on the next Dealing Day.
Price Publication	Prices are published in Trustnet, the Financial Times or a similar publication in the UK and the Handelsblatt in Germany.
Share classes	<p>Gross Paying Shares:</p> <ul style="list-style-type: none"> - A (Inc) (Euro) - B (Inc) (Euro) - A (Inc) (Pound Sterling Hedged) - A (Acc) (Euro)
Currency of Denomination	Euro
Annual Accounting Period	1 December - 30 November
Interim Accounting Period	Ends on the last day of February, May and August of each year.
Annual Income Distribution Date	On or before the 31 March.

Interim Income Allocation Date	The last Business Day of the calendar month immediately following the end of each Interim Accounting Period.															
	In respect of the A (Inc) (Euro), B (Inc) (Euro) and A (Acc) (Euro) share classes, no interim allocations will be made.															
Distribution Policy	In respect of Gross Paying Shares only, all income will be distributed after charging expenses in accordance with this document and the FCA Rules. Please refer to the section headed Taxation on page 25 for details on when distributions should be made net of UK tax although it is anticipated that only Gross Paying Shares will be available.															
A note on Liquidity	Normally the Fund will be fully invested save for an amount for the settlement of liabilities including redemption of shares and efficient management of the Fund in relation to its investment objective. This amount will vary depending on the prevailing circumstances and there may be times when the ACD considers the relevant markets to be overpriced or unstable presenting unusual risks or uncertainties. In such cases, a high level of liquidity may be maintained.															
Minimum Initial Investment	€250,000 (or using a Pound Sterling equivalent figure if any A (Inc) (Pound Sterling Hedged)) shares are purchased or such lower amount as determined at the discretion of the ACD, after consultation with the Investment Manager.															
Minimum Subsequent Investment	Not applicable															
Minimum Holding	€100,000 (or using a Pound Sterling equivalent figure if any A (Inc) (Pound Sterling Hedged))															
Initial Charge	2%															
Annual Management Charge	<table><tr><td>A (Inc) (Euro)</td><td>B (Inc) (Euro)</td></tr><tr><td>A (Acc) Euro</td><td></td></tr><tr><td>A (Inc) (Pound Sterling Hedged)</td><td></td></tr><tr><td>Rate</td><td>0.75%</td></tr><tr><td>Charged to</td><td>Capital</td></tr><tr><td></td><td>1.50%</td></tr><tr><td></td><td>Capital</td></tr></table>		A (Inc) (Euro)	B (Inc) (Euro)	A (Acc) Euro		A (Inc) (Pound Sterling Hedged)		Rate	0.75%	Charged to	Capital		1.50%		Capital
A (Inc) (Euro)	B (Inc) (Euro)															
A (Acc) Euro																
A (Inc) (Pound Sterling Hedged)																
Rate	0.75%															
Charged to	Capital															
	1.50%															
	Capital															
Grouping Periods for Income Equalisation	Interim Accounting Periods	Interim Accounting Periods														

SUPPLEMENT 2

Name of Sub Fund	FP Shenkman Hansa High Yield Fund
Investment Objective	<p>The Fund's investment objective is to achieve primarily a high level of income and in addition capital appreciation through investment in a broad range of securities, including those listed on the eligible markets as listed in Appendix 1 and such securities that are not "approved securities" to the extent permitted by the FCA Rules.</p>
Investment Policy	<p>To invest, in accordance with the FCA Rules, primarily in European high yield securities, but also to invest in countries outside Europe where the Investment Manager deems there to be appropriate opportunities, in each case where the issuer of such securities is incorporated in, or is a government or public body of, a member country of the OECD, as such list may be amended from time to time.</p> <p>The investments will predominantly be a wide range of fixed income securities which will also include for example lower quality corporate and sovereign debt securities and convertible bonds.</p> <p>The fund may invest up to 20% of NAV in securities that are not rated by a credit rating agency. Where securities are rated by either Standard & Poor's (S&P), Fitch Ratings or Moody's credit rating agencies, the Fund may invest in securities that are rated CCC- (S&P), CCC (Fitch) or Caa3 (Moody's) or above at the time of purchase.</p> <p>The Fund may invest in other securities consistent with its investment objectives as determined by the Investment Manager and in accordance with the FCA Rules.</p> <p>Subject to the investment and borrowing powers in Appendix 3, the Fund will limit its holdings to 6% of net asset value in a single issuer and 20% of net asset value in aggregate in issuers of a single industry sector. The Fund will limit its holdings to 10% of net asset value in issuers of a single domicile country, except where the issuer domicile is a G7 country (Canada, France, Germany, Italy, Japan, the United Kingdom or the United States), the Netherlands or Luxembourg, in which case there is no limit.</p>
Use of derivatives	<p>The Fund will invest in derivatives to manage its portfolio efficiently, generate additional income and hedge risks related to its underlying investments in accordance with the FCA Rules. These risks include but are not limited to market risk, interest rate risk, currency risk and credit risk.</p>
Investor Profile	<p>Intended primarily but not exclusively to be targeted at institutional and other experienced investors seeking a high level of income over a longer period and who have read and understood the section titled Risks in the Prospectus.</p>
Valuation Point	16:00 Eastern Standard Time
Frequency of Dealing	The Dealing Day is each Business Day.
Cut-Off Time	<p>The cut-off time is 12.00 midday UK time on a Dealing Day. Orders for a subscription, redemption or conversion received after the cut-off time will be valued as at the Valuation Point on the next Dealing Day.</p>
Price Publication	<p>Prices may be published in the Handelsblatt in Germany, if requested.</p>

Share classes	Gross Paying Shares: A (Inc.) (Euro)
Currency of Denomination	Euro
Annual Accounting Period	01 December - 30 November
Interim Accounting Period	Ends on the 31 May of each year
Annual Income Distribution Date	On or before the 31 March.
Interim Income Allocation Date	The last Business Day of each calendar month immediately following an Interim Accounting Period.
Distribution Policy	All income will be distributed after charging expenses in accordance with this document and the FCA Rules. Please refer to the section headed Taxation on page 24 for details on when distributions should be made net of UK tax although it is anticipated that only Gross Paying Shares will be available.
A note on Liquidity	Normally the Fund will be fully invested save for an amount for the settlement of liabilities including redemption of shares and efficient management of the Fund in relation to its investment objective. This amount will vary depending on the prevailing circumstances and there may be times when the Investment Manager considers the relevant markets to be overpriced or unstable presenting unusual risks or uncertainties. In such cases, a high level of liquidity may be maintained.
Minimum Investment	€500,000 or such lower amount as determined at the discretion of the ACD, after consultation with the Investment Manager.
Minimum Subsequent Investment	€50,000
Minimum Holding	€500,000
Initial Charge	2%
Annual Management Charge	A (Inc) (Euro)
Rate	0.75%
Charged to	Capital
Grouping Periods for Income Equalisation	Interim Accounting Periods

APPENDIX 4: ADDITIONAL INFORMATION FOR INVESTORS **IN THE FEDERAL REPUBLIC OF GERMANY**

The Company has notified its intention to market shares in Germany. Since completion of the notification process the Company has the right to market shares in Germany.

For the sub-fund FP Shenkman Hansa High Yield Fund (formerly Brookfield Hansa High Yield Fund) no notification for registration has been filed and consequently, shares of this sub-fund must not be marketed in Germany.

The function of paying and information agent Federal Republic of Germany (the “German Paying and Information Agent”) in Germany has been assumed by:

Paying and Information Agent (*Zahlstelle und Informationsstelle*) in Germany

Marcard, Stein & Co. AG (“Marcard”)
Ballindamm 36, D-20095
Hamburg
Germany

Telephone: +49 40 32099-0
Fax: +49 40 32099-370

SPECIAL ARRANGEMENTS IN GERMANY

The Company has made arrangements for special facilities to be made available to shareholders having a business or personal address in Germany (“German Shareholders”) in connection with their investments in the Company. Generally all distribution payments, redemption proceeds and other payments to German shareholders will be made via Marcard through the German clearing system (operated by Clearstream).

Distribution of income

German Shareholders receive annual distributions of income via Marcard. Income payable to a German Shareholder on each relevant distribution date will be credited to that Shareholder’s account at its nominated deposit bank via Marcard as above. Distribution statements and tax certificates will be forwarded to each German Shareholder via its nominated deposit bank using Clearstream.

Issue and redemption of shares

German Shareholders wishing to purchase, exchange or redeem shares may give instructions to that effect by delivering them to Marcard (as agent for the ACD) in accordance with the procedure under “**Sale and Redemption of Shares**”. Issues, exchanges and redemptions for German Shareholders shall be effected through Clearstream. Payment of redemption and liquidation proceeds will be effected by the above named settlement system - payment against delivery. German Shareholders can also request such payments directly from Marcard.

Nominee Arrangements

German Shareholders who are issued shares via Clearstream will be represented on the share register by VIDACOS Nominees Limited, a wholly owned subsidiary of Citibank N.A., London, United Kingdom, as nominee.

Documents and Notices

Copies of the following documents may be inspected and/or obtained free of charge during normal business hours at Marcard at the address stated above:

- (i) the Instrument of Incorporation (as amended from time to time);
- (ii) this Prospectus (as amended from time to time);
- (iii) the Key Investor Information Documents (as amended from time to time) in German language;

- (iv) the most recent annual and half-yearly reports prepared by the Company;
- (v) a statement of current issue, exchange and redemption prices of shares.
- (vi) other documents and details which are made available to investors in the home state of the fund;
- (vii) the Service Agreement dated 18 March 2011 between the Company and the Brookfield Investment Management UK Limited (the previous ACD) and novated in favour of the ACD with effect from 1 August 2014;
- (viii) the Depositary Agreement dated 18 March 2011 between the Company, the ACD and the Depositary, novated in favour of the Depositary with effect from 01 October 2011 and subsequently novated in favour of the ACD with effect from 1 August 2014; and
- (ix) the Investment Management Agreement dated 1 August 20014 between the ACD and the Investment Manager.

The documents set out under (i) to (vi) are available at Marcard in paper form free of charge.

In the following cases notifications to German Shareholders will be additionally available by recording on a durable data carrier:

- suspension of redemption of the Shares in a Fund;
- termination of the management of or dissolution of one of its Funds;
- changes to the terms and conditions which are not consistent with the current investment policies, which affect material investors' rights or relate to fees or reimbursement of expenses that may be taken from the Funds, including the reasons for the changes, Shareholders' rights and their means of obtaining information thereon;
- in the event of a merger of any Fund, in the form of merger information to be prepared in accordance with Article 43 of Directive 2009/65/EC;
- in the event of conversion of a Fund into a feeder fund or changes to a master fund, in the form of information to be prepared in accordance with Article 64 of Directive 2009/65/EC.

Prices of shares will also be published daily in the *Handelsblatt*. Declarations also will be published in the *Handelsblatt*. In addition, German Shareholders shall be notified by durable data carrier of any meeting of holders in shares of the Company As well as in the event that the Company is terminated or that the Company loses its authorization.